

DIPLOMACY IN
FETTERS

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by

Sir VICTOR WELLESLEY
K.C.M.G., C.B.

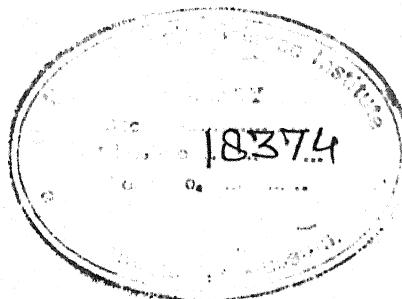
LATE
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TO
MY WIFE



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"What shameful turpitude is covered by the pompous mantle of Diplomacy? These are the rulers imposed upon us, to whom are entrusted, without our being consulted, our fortunes and our lives; deep mysteries hover over our heads, but so high, so remote that our eyes cannot reach them, in wagers of which we know nothing, we are the stakes thrown down by invisible gamblers, silent spectres who smile majestically as they make note of our destinies in their pocket-books."

GEORGE SAND: *Le Prince.*

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PREFACE

"When a person writes on a great subject it is not sufficient that he should consult his zeal; he should also consult his abilities; and if heaven has not granted us great talents, we may supply them by a distrust of ourselves, by accuracy, labour and reflection."

MONTESQUIEU: *Esprit des Lois.*

Though strictly speaking there is a sharp distinction between diplomacy and foreign policy, for all practical purposes they are one and inseparable. I have, therefore, throughout this book used both terms indiscriminately except where it is necessary to observe the distinction.

With Europe in the melting-pot for the second time within a generation it becomes lamentably obvious that, diplomacy has failed. The reasons for the failure are not so obvious. Errors of judgment, misunderstandings, lack of vision and of insight on the part of individual statesmen have all contributed; but more important has been the failure to adapt the machinery of diplomacy to the conditions under which it now has to function.

There is no profession so all-embracing as that of diplomacy since there is no branch of human activity which, in one form or another, cannot come within its purview. So infinitely complex has the modern world become that political situations now rarely take the simple, clear-cut form which statesmen and diplomatists of only a few decades ago had to handle. They are now the sport of a multitude of factors lying deep beneath the political surface and ramifying in all directions. British diplomacy is no longer master in its own house. It is fettered by the tighter Parliamentary control over foreign policy, by the keener interest of the public in foreign affairs, by the new complication of consulting the Dominions, by the machinations of finance, and, generally speaking, by the inability of politicians to think economically and of economists to think politically.

If accomplished statesmen lose their bearings in the vortex of international affairs, no wonder that the general public is bewildered. Yet such is the fascination of foreign affairs that, despite their perplexity, there is no subject on which people are prone to hold firmer opinions and to express them with greater assurance, or where passion and prejudice play so conspicuous a part. Of recent years the reaction of different schools of thought to the topical question of the day has shown how vital is the need for better understanding and greater objectivity. In a democracy like ours, foreign policy tends more and more to be controlled by mass opinion rather than by the knowledge and experience of statesmen. This is apt to make democratic diplomacy not only weak and inconsistent but also hazardous when it comes to grips with dictatorships. Is there any remedy? Can the mechanism of modern diplomacy be improved?

The primary object of this book is to present to the man in the street a complete picture of the difficulties and disadvantages (I have called them the Fetters) under which the diplomacy of a democratic state labours compared with that of an authoritarian state. My thesis is that democratic diplomacy and foreign policy in general no longer function

effectively because their background has changed while the machinery of diplomacy has remained static. If that machinery is to be adapted to meet modern requirements—and I shall make some suggestions for its adaptation—we must first examine the political, social, and economic developments which have brought about the change.

I have endeavoured briefly to outline the development of diplomacy from its simple beginnings in personal intercourse between rulers and to follow it through the ages of absolutism and of democracy to the First Great War. I then turn to the behaviour of the democracies in their relations with the dictatorships, and conclude with a discussion of the more topical subject of British foreign policy, its aims and methods, under these changed conditions. Thus the first section is chiefly historical, the second critical, and the third admittedly speculative and controversial.

In order to understand the root causes of the present world conflict it is of the utmost importance to approach the subject with complete objectivity. Unfortunately in time of war it is not always easy to speak of either friend or foe with complete freedom and justice. At the present time, moreover, it is almost impossible to refer to the German people without overwhelming feelings of horror and revulsion; of this I myself have been acutely conscious in framing certain sections of this book, even when dealing with purely historical facts and the period when Germany still counted as a civilized nation. Having myself been brought up in Germany till the age of twenty, I can at least claim an early acquaintance with German psychology and its many unpleasant features. I am second to none in my utter condemnation of both the Nazi and Fascist régimes, with their gangsterism and their unspeakable savagery. Nevertheless I feel very strongly that unless we can put aside for a moment our outraged feelings and view the far-reaching issues involved dispassionately against their historical background, it is impossible to see things in their true perspective. If some facts happen to be to the credit of our enemies explanation must not be taken to mean exculpation. The vilest criminal may have something in his favour, but this does not make him less of a criminal. "You should neither love your enemy nor hate him," Spinola once said. Admittedly this is a very difficult maxim to follow in the face of crimes which cry to heaven for retribution, but it is none the less wise counsel.

Nazism and Fascism are revolutionary movements—as indeed is also Bolshevism. They are the birthpangs of a new era marking the transition from an old to a new dispensation. They are the product of the dissatisfaction felt everywhere at the existing social, economic, and political order. It does not follow that because certain leaders have lapsed into barbarism these systems are necessarily rotten throughout. Stripped of their excesses they are largely the expression of the trend of modern developments. Much good ultimately came out of the French Revolution despite its horrors and wars. Much good has emerged from the Russian Revolution. Yet both in their infancy were denounced by the rest of the world. We must therefore be careful not to confound the enormities of criminal megalomaniacs with the aims of revolutionary movements. The authoritarian régime of Portugal derived from Fascism is a shining example of enlightened government. We ourselves, in this war, have had to resort to authoritarianism overnight, which is at least

a tribute to its efficiency. May not the historian of the future, while utterly condemning the excesses and tyranny of such arch-criminals as Hitler and Mussolini, come to assess the so-called ideologies in a more dispassionate light than we are capable of today?

If we are in search of a lasting peace it is very necessary that we should examine closely the underlying causes which have made it possible for such a phenomenon as Nazism to occur at all. Let us frankly admit that in the course of Germany's long and tragic history there is much that stands to her credit. The music of Bach and Beethoven, the poetry of Goethe and Schiller, the art of Holbein and Dürer are not isolated phenomena, but supreme expressions of the soul of a people. To ignore this is to blind ourselves to the truth and rob our cause of well-balanced judgment; to accept it is not to condone the Nazi crimes. On the contrary, they are enhanced by the contrast. For there are Germans who are anti-Nazi. They are timid and helpless, but not necessarily insincere. Is it not these that we want to rally to our cause in the hope that their influence will eventually prevail over the powers of evil? Despite many assertions to the contrary, these elements do exist, and are considerable, as is clearly shown by Mr. Louis P. Lochner's recently published book *What About Germany?* After a sojourn of twenty years in Germany and of daily and intimate experience of Germans, Mr. Lochner emphatically asserts that there is another Germany, but that it is submerged and inarticulate at present because every possibility of public utterance is denied to it. Nor should we forget that the highly scientific character of modern arms places in the hands of evil-minded Governments an instrument of repression so powerful that a whole nation can be held down and coerced into obedience with a comparatively small force and with greater ease than ever before. The people, leaderless, unorganized and unarmed, are completely impotent and cannot revolt.

I wish, however, to emphasize that nothing in these pages is to be interpreted as condoning German bad faith. Many people in Germany, and in this country, have found excuses for their policy in the fact that the terms of the Versailles Treaty were so different from those of President Wilson's Fourteen Points, and in the complaint that Versailles was a "dictated peace". The Allies may have made mistakes, but to a defeated nation the peace which it has to accept must necessarily be a dictated peace, since it is bound to contain much that is disagreeable and unwillingly accepted. Did the Germans not impose a dictated peace on France in 1871 and on Russia at Brest-Litovsk in 1917? A defeated nation—and that an aggressive nation to boot—has no right to expect leniency. Further, whatever the Fourteen Points may have appeared to promise, and whatever their grievances against the alleged harshness of the Versailles Treaty, the German Government signed it and in doing so they pledged their faith. Yet, almost from the moment of signature the policy of evasion and deception began—at first, on a small scale, but steadily increasing, until, after the advent of Hitler in 1933, there was no further disguising what the policy meant; recovery of military power, repudiation of every point in the Treaty of Versailles, and in the "freely negotiated" Treaty of Locarno, preparation for war, undermining and corruption of neighbouring nations and in the end blatant aggression. There can be no question but that the major responsibility for the present plight of Europe

lies upon Germany. In 1939 no other country in Europe desired war except Germany; the fault of other nations was not in their choice of war, but in their extreme desire to avoid it at all cost, and at whatever, so it seemed, concession to Germany. It is satisfactory to learn from the Prime Minister that there will be no Fourteen Points this time.

Our statesmen appeared to have forgotten completely the famous warning of Sir Eyre Crowe, dated January 1st, 1907:

"For there is one road which if past experience is any guide to the future, will most certainly not lead to any permanent improvement of relations with any power, least of all Germany, and which must therefore be abandoned; that is the road paved with graceful British concessions—concessions made without any conviction either of their justice or of their being set off by equivalent counter-services. The vain hope that in this manner Germany can be 'conciliated' and made more friendly must be definitely given up. It may be that such hopes are still honestly cherished by irresponsible people, ignorant, perhaps necessarily ignorant, of the history of Anglo-German relations during the last twenty years, which cannot be better described than as the history of a systematic policy of gratuitous concessions, a policy which has led to the highly disappointing result disclosed by the almost perpetual state of tension existing between the two countries."

What Sir Eyre Crowe wrote in 1907 applied equally to the situation *mutatis mutandis* in 1939, and to all that is contained in this book. It is the over-riding consideration.

As regards democracy, no one could have a more unshakeable faith than myself in its being the highest form of civilized society yet evolved, despite its many shortcomings. No political system yet invented is perfect, and it is mere folly to blind ourselves to the defects of democracy and to refuse to recognize whatever merits there may be in other systems. Its chief weakness lies in the domain of foreign affairs, and it is with that aspect, and that aspect alone, that this book is concerned.

One other point of faith must be declared. Durable peace, which is the central aim of British Foreign Policy, will not be secured by a purely negative attitude, by taking political fences as they come, or by waiting upon events and allowing ourselves to be overtaken by them in the manner so often seen in the past. If peace is not constructive it will be little more than a truce, but no peace can be constructive unless all can agree that the interest of Europe as a whole must come before that of individual states. The old supremacy of Europe is threatened as much by dissensions from within as by the rising tide of colour from without. If another clash is to be avoided, nations must begin to think internationally first, nationally afterwards.

Anyone who looks in these pages for glimpses behind the scenes will be disappointed, for I have used nothing but published matter, which provides ample material for my purposes.

Some, no doubt, will complain that I have posed many questions but only hinted vaguely as to the manner in which they should be solved. But since the main thesis of this book is a plea for more efficient machinery for the politico-economic diagnosis of foreign countries and for better

co-ordination between foreign and domestic policy without which there can be no satisfactory solution of the many and complex problems which will confront us after the war, I can hardly be expected to evolve out of my inner consciousness what can only be accomplished by such means. Indeed, were it possible to do so, many others could do it very much better than I, and it would by implication completely destroy my thesis by showing that no improvement in the existing machinery is necessary. I am therefore admittedly groping in the dark. It is because no adequate equipment has existed in the past that diplomacy has been like a ship navigating an uncharted sea. When engaged on a voyage of discovery there can be no occasion for dogmatizing, but only for hard thinking. I do not pretend to have dealt exhaustively with all the subjects I have had to touch upon since they do not form the principal subject of this book but are merely ancillary to the main thesis—the necessity of better machinery for the co-ordination of the multifarious elements which go to make up foreign policy under modern conditions. It is a view I have held for many years past.

I have had to omit many passages from the original version concerning Foreign Powers because in time of war "*la vérité n'est pas toujours bonne à dire*". I lay no claim to novelty, originality, or special insight. I have had to touch on history, economics, finance, sociology, law, religion, biology, and much else, and as I am expert in none of these fields I am aware that I am offering a wide target to specialists who may cavil at much of what I have to say. But no matter! I am not nearly so anxious to be wholly accurate in detail as to present a picture which is substantially true as a whole. I have merely arranged the pieces of the jigsaw puzzle. The picture produced is neither of my making nor to my liking. I can only say that it is as I see it. For the rest, "its interest must depend upon the importance of the subject, the dependability of the reflections, and the accuracy of the facts recounted."¹

My gratitude is due to Sir George Mounsey, K.C.M.G., C.B., C.B.E., and Mr. Tom Morris, C.M.G., for their invaluable criticisms and suggestions, to Sir Francis Oppenheimer, K.C.M.G., and to Mr. Robert Sencourt for their help in the earlier stages of the work, and to Mr. J. Hampden-Jackson for his great assistance in arranging the book. Last, but not least, I am also greatly indebted to Miss A. Norman, both for her assistance and advice as regards the clerical work involved and for her criticisms.

VICTOR WELLESLEY.

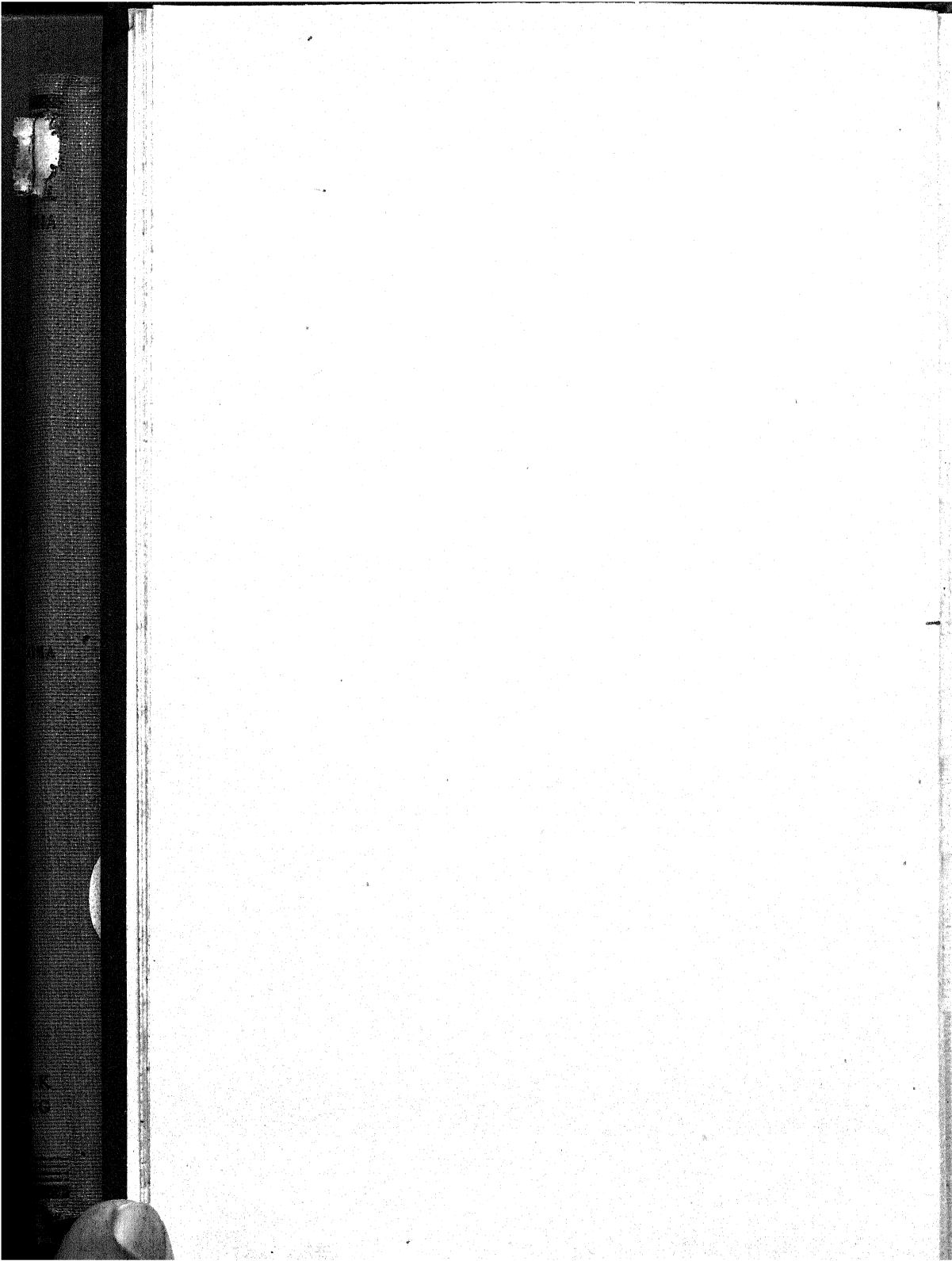
12, Ranelagh Grove,
Ebury Bridge.

6 June, 1944.

NOTE: This book *in all its essentials* was practically completed when the Second Great War broke out, since when it has had to undergo many revisions to bring it up to date. For one reason or another I had to lay the MS. aside and had almost given up all thought of publication. But the war has brought out in a way that perhaps nothing else could do the urgent need of up-to-date machinery for the efficient conduct of our future foreign policy, without which we can hope for neither enduring peace nor economic survival, so I decided to proceed with it.

V. W.

¹ Machiavelli.



PART ONE

THE PAST

CHAPTER I

DIPLOMACY UNDER ABSOLUTISM

"It is a perversion of the natural order of things to attribute resolution to subjects and deference to the Sovereign; for only the head has the right of deliberation and resolution, and the functions of the other members consist solely in executing the commands given to them."

Louis XIV: *Mémoires*.

THE word Diplomacy is not to be found in Dr. Johnson's dictionary. The thing received a belated christening only at the end of the eighteenth century, but intercourse between civilized peoples has always been carried on by the agency of diplomacy, which eventually became the official channel for negotiation between sovereign states.

Being more concerned with the future than the past, we will give but a cursory glance at the evolution of diplomacy. Broadly its history may be divided into two periods—the age of Absolutism and the age of Democracy—though in neither is the development strictly continuous, for we find democracy in ancient Greece and absolutism in modern Europe.

The first beginnings occur in Egypt under the Eighteenth Dynasty (1580–1350 B.C.) where, under Sesostris I, a service of messengers was maintained with Syria. Originally entrusted with the purchase of valuables for the King, they developed into diplomatic agents who negotiated treaties with native rulers and acquired great influence and authority.¹ But diplomacy failed to develop from its Egyptian beginnings. The Roman Empire embraced most of the known world of the day, so that it can scarcely be said to have had foreign relations, and throughout the Middle Ages the authority, both secular and spiritual, of the Holy See was paramount in Europe. Throughout the Middle Ages from the middle of the 11th to the end of the 13th century Europe was held together by a common faith, a common culture, a common language of learning, and a common feudal system. Economically, Europe was not highly articulated; her economy was almost parochial, based on local self-sufficiency. The bulk of the population lived in villages and on the soil, while in the towns trade and industry was in the hands of guilds. There was no such thing as a national economy or even a national consciousness. There were no national lines of demarcation anywhere. Nationalism was unknown. Princes might fight, but never in a national sense, for a common religious purpose united all Europe. "The evil of feudalism was its propensity to private war."² When this essentially Christian unity gradually gave way to the conception of the state peoples grew into nations. By the year 1500 the process was almost complete. A few decades

¹ Of forty-eight, two became kings, two viziers and five viceroys. See J. E. Thomson and S. K. Padover, *Secret Diplomacy*.

² *Unity in the Middle Ages*, Ernest Barker.

later the Reformation disrupted the Church. With the union of all Spain under Ferdinand and Isabella, and the union under the French Crown of Brittany, Burgundy, and the former English possessions, and the union of England and Wales and later Scotland, the age of Great Powers began. With the advance of religious toleration the idolatry of the nation-state began to take precedence over spiritual solidarity. The loosely knit internationalism of the Middle Ages gave way to the national state, the national economy, the national culture, and the national Church. Power politics and nationalism have been the curse of Europe ever since. And so today we have international rivalries, wars, and revolutions.

Under absolutism diplomacy grew to maturity. Its cradle had been in Byzantium, where the first regular Diplomatic Service was developed; Venice was its nursery; but diplomacy was not fully grown until Louis XI of France made *raison d'Etat* the foundation of European politics. His methods were revolutionary and his craftiness earned him the name of the "Universal Spider". No ruler ever relied more completely on intrigue and subtlety to gain his ends. Though possessed of the finest army in the world, he set words and gold above the sword. "He would burn his hat," he said, "if he could suppose it to guess the secret of his heart", and the principle of his policy was, "to reign is to dissimulate". "If they lie to you," he said to his ambassadors, "lie still more to them."¹ His aims were inscrutable and his spies ubiquitous. In order to cope with this political spider and escape the meshes of his web, every Prince in Christendom had to resort to permanent diplomatic representation, and this henceforward became the rule. Diplomacy thus became "permanent, secular and secret"²; and Louis XI's methods were adopted by all Governments. Machiavelli did not invent them; *The Prince* is really a description of the generally accepted practice of the day, as exemplified by the statecraft of Caesar Borgia.

At the end of the 15th century a codification was attempted of the rules governing international intercourse. Thus there came into being a body of International Law, which, however effective for composing differences between states in time of peace, could never pretend to be a safeguard against war. It is sometimes said that the application of International Law is the chief function of diplomacy, but this gives a very incomplete notion of the multifarious activities of modern diplomacy.³

Turning to the 17th century, we see in Louis XIV, as in modern dictators, a single, powerful mind directing the vast machine of diplomacy. No policy could be framed, no ambassador instructed, without the King's authority. For clarity, vigour, style, and directness, Louis XIV's correspondence stands as a model for all time. Before taking up his post, every ambassador learnt from the King's own lips the nature and importance of his mission. "He was then sent forth as a model of French prestige rather than as a mere public functionary, and the Foreign Service of France, which Richelieu and Mazarin had raised to the dignity of a profession, under the personal rule of Louis XIV, acquired almost the character of a Priesthood."⁴

¹ *History of Diplomacy*, D. J. Hill.

² *Op. cit.*

³ *Diplomacy and Peace*, Mowat, p. 5. The Peace of Westphalia, 1648, is often cited as the starting-point of modern European diplomacy, since it introduced a code which has formed the basis of present International Law.

⁴ Hill. *Op. cit.*

The activities of the French diplomatists were closely scrutinized and their efforts directed by their ever-vigilant master. Implicit obedience and alertness were exacted. No subject was too petty for the King's personal attention, and he always supported his representatives with the utmost vigour. He knew the intrigues of every Court, the parties and factions in every country, and the character of every sovereign and every prominent statesman. Under his direction, the French Diplomatic Service became the most efficient in the world. Other Powers were not slow to follow France's example, but the perfection of her Diplomatic Service long remained unrivalled.

The chief characteristics of diplomacy under absolutism were, as they are today under Hitler, mendacity, espionage, and bribery. The political atmosphere was always thick with intrigue, plots, and counterplots. Every capital in Europe was teeming with spies, and corruption was everywhere. Money was the master-key to the most carefully guarded secrets. Rulers, statesmen, and diplomatists alike had their price. Honour and loyalty were almost unknown.¹ Public morality was at its lowest ebb. Diplomatists were provided with lavish funds to enable them to spy on one another, and bribe officials, high and low, of foreign countries. No diplomatist could afford to neglect espionage, for, without it, information was scanty. Machiavelli, while on a mission to France, complained that he failed "to elicit important information because he had not the means of bribery at his command". He chides his masters for being like "the man who hopes to win a lawsuit without paying the lawyer's fees."² Richelieu and Mazarin were both adepts at using words and gold instead of the sword.

Sir Henry Wotton, that wily Elizabethan diplomatist, said: "An Ambassador is an honest man sent to lie abroad for the good of his country." But his own honesty did not prevent him from accepting a pension from the Duke of Savoy and applying for another from the King of Spain for services rendered. Sir Edward Stafford, Elizabeth's Ambassador at Paris, certainly warned his sovereign of the coming of the Spanish Armada, but took several thousand crowns from Philip of Spain for information on English preparedness to meet it.³

When French diplomacy was at its zenith under Louis XIV, England was hardly a Great Power. Her diplomatists were less distinguished than the French and Italian. The British have always been prone to disparage diplomacy as the unworthy pursuit of charlatans and intriguers, as laying more stress on a show of honesty than on honesty itself. But even under Henry VIII, English diplomatists had already "begun to display the peculiar temper and genius of the nation. Plodding and cautious, not easily susceptible of emotion, they look with stolidity, real or assumed, on what is before them. . . . Everywhere on the Continent the notion prevailed that England was wealthy and easily duped."⁴

The English were, however, sometimes more astute than they seemed. Couriers sent to the Court of Charles II by Louis XIV reported that the

¹ *Secret Diplomacy*, J. E. Thomson and S. K. Padover.

² *Machiavelli*, Jeffry Pulon.

³ *Secret Diplomacy*.

⁴ *Diplomatic Practice*, E. Satow. Vol. I, p. 172.

English had tricks "to open letters more skilfully than anywhere in the world". Indeed, for efficiency in espionage, Cromwell's Secret Service was a model. "No Government on earth," wrote the Venetian Ambassador, Sagrado, "conducts its affairs with greater secrecy than this one. . . . They keep their secrets so closely that no effort can discover the true substance of their deliberations. . . . They maintain secret spies everywhere to be informed of what is happening in the world. Certainly no Government on earth discloses its own acts less and knows those of others more precisely than that of England. . . ."

But espionage was costly. Diplomacy may have been a fascinating contest of wits, but it was money that provided the motive power. Cromwell spent £70,000 a year on intelligence and is said to have "carried the secrets of all the Princes of Europe at his girdle". Between 1616 and 1619 the Spanish Viceroy of Naples spent the astonishing sum of 380,000 ducats on Secret Service. Louis XIV in 1692 spent 80,000 louis monthly to buy the goodwill of the Germanic Princes for his war with Austria and Holland. The Abbé Dubois, Louis XV's Ambassador in London, had 10,000 livres in silver and 4000 in gold for the purpose of bribing British Ministers. When Louis XV died, to save the monarchy from scandal, the secret agents had to be pensioned off at a cost of 100,000 livres. In Brandenburg, under the Great Elector, fees had to be paid to the Electoral Minister, and often his wife, before any business could be transacted.¹ Frederick the Great, though less lavish than other monarchs in his *douceurs*, had an elaborate spy system and was well served.

Between 1757 and 1759 France subsidized Austria to the tune of 82,652,479 louis, of which 100,000 went to the Austrian Chancellor Kaunitz. Thugut, too, was in French pay. Sir Robert Murray Keith, British Minister at St. Petersburg accredited to the Empress Elizabeth, was provided with £100,000 "only for such gratifications as I may judge necessary to make from time to time to particular persons".²

Napoleon's system of espionage functioned with doubtful efficiency, for while he was kept well posted, so also were his enemies through the venality of his own officials. Fouché and Talleyrand were notoriously corrupt. Besides being in Metternich's pay, the latter received from Prussia 100,000 francs in cash; from Hesse 1,000,000 crowns, from Baden 5,000,000 livres; from Saxony 6,000,000 francs; from Murat 1,000,000 francs and about 3,700,000 francs from King Ferdinand IV of the Two Sicilies, besides much else. Within three months of becoming Foreign Minister, he had accumulated 12,000,000 francs. Gentz, Metternich's private secretary, was in Britain's as well as in Talleyrand's pay.³ Those were the palmy days of diplomacy.

When the Congress of Vienna met in 1815, that arch-trickster of diplomacy, Metternich, had every person of note carefully watched by a highly organized secret police, recruited in part from people in high society. All letters in transit were censored and copied; even the rooms and waste-paper baskets of diplomats were searched. There was, of course, counter-espionage too, as Metternich's methods were not unknown.

¹ *Secret Diplomacy*, J. E. Thomson and S. K. Padover.

² Some of Gentz's receipts are in the author's possession.

³ *Op. cit.*

Thus, until well into the 19th century the character of diplomacy had changed little, and the unscrupulous methods of the past still remained the close preserve of monarchs and all-powerful statesmen. The atmosphere in which diplomacy functioned in the Age of Absolutism demanded that the diplomatist should have special equipment for his task. That equipment has never been better described than by M. de Callières, the French diplomatist who concluded the Treaties of Peace at Ryswyk. In his *Art of Negotiations with Foreign Princes* (1700) he has left us the most reliable contemporary work we have on late 17th-century diplomacy.

"A man ought," wrote M. de Callières, "to have very quick parts, dexterity, cunning, wide knowledge, and, above all, discernment. And it is no wonder that men who engage in these pursuits for the sake of the title and salary, without any idea of the duties involved, serve an apprenticeship most damaging to the affairs entrusted to them. . . . The talents required are a right judgment . . . without insisting upon niceties and vain subtleties . . . a quick penetration. . . ."

M. de Callières attaches great importance to seeing things as they really are. Here he lights on one of the tests of true statesmanship. An all too common failing among those who preside over our destinies is to see things, not as they are, but as they would like them to be, and to expect diplomatists to conform to their wishful thinking. The avoidance of niceties and vain subtleties is also the mark of good statesmanship, because it eschews intellectuality, with all its spectacular trappings, and concentrates on essentials.

"A spirit," continues M. de Callières, "fertile in expedients for overcoming the difficulties which arise in adjusting the interests with which he is charged . . . the presence of mind to give the proper answer to unexpected questions, and by judicious manœuvres to avoid slippery steps; an even temper and a sedate and calm disposition ever ready to listen patiently to others. . . . He must also beware of making a secret of everything and magnifying mere trifles. It is a sign of pettiness not to be able to distinguish things of consequence from matters of no moment. . . . An ambassador must be liberal and magnificent, but with judgment and design, and his magnificence should be reflected in his suite. His table should be served neatly, plentifully, and with taste. He should give frequent entertainments and parties to the chief personages of the Court and even to the Prince himself. A good table is the best and easiest way of keeping himself well informed. The natural effect of good eating and drinking is the inauguration of friendships and the creation of familiarity, and when people are a trifle warmed by wine they often disclose secrets of importance."

That good dinners are calculated to serve the ends of diplomacy is a view held by many eminent diplomatists of all ages. Talleyrand was most emphatic on this point, and did not Palmerston declare that "dining was the soul of diplomacy"? Richelieu, on the other hand, was an

exception. In one of his memoranda he says: "Never fish for invitations, especially for dinners. Dining out too often is a waste of time."

"An able Minister," continues M. de Callières, "will take care to let nobody into his secrets before the proper time, but it is likewise essential that he should know how to conceal this reserve from those with whom he is negotiating. He must appear frank and open, place confidence in them, and give real proofs of it in matters not imimical to his own designs. Without their knowing it, this will lead them to respond with confidences which are of much greater importance. One must give in order to receive."

And here follows a remark which should be written in letters of gold over the door of every Chancery:

"It is not enough for an able Minister to be a man of knowledge, dexterity, and other intellectual qualities; he must, in addition, have the requisite spiritual gifts. No occupation demands a greater degree of elevation and nobility of spirit than this. . . ."

No picture of diplomacy under absolutism would be complete without some reference to the important part played by ladies. On this point M. de Callières makes some sapient remarks.

"If the customs of the country where the diplomatist resides afford him opportunities of conversing with the ladies, he ought not to neglect to make them his allies by entering into their pleasures and endeavouring to win their esteem. The power of their charm often influences the most important resolutions, on which the greatest events depend. But while contriving to please them by his magnificence, politeness, and even gallantry, he must take care not to engage his heart. He should recollect that love usually leads to indiscretion and imprudence, and that as soon as he is subject to the will of a fair lady, however wise he may be, he runs the risk of surrendering his secrets."

That feminine influence has played a great and often decisive part in diplomacy is undeniable. For better or for worse, ladies have often constituted the power on the throne as well as behind it. "In France," wrote the Papal Nuncio in the time of Louis XIII, "all great events, all intrigues of importance, are generally due to feminine activity." Richelieu more than once complained of feminine interference in affairs of state. Madame de Maintenon exercised enormous influence over Louis XIV, while Louis XV was the plaything of many favourites. Napoleon frequently employed society women, like Madame de Genlis, as spies. "*Tenez bonne table et soignez les femmes*", was his advice to one of his ambassadors. During the Congress of Vienna, ladies who could bestow their favours without betraying their masters played a notable part. Princess Catherine Bagration, a beautiful adventuress, acted as a spy for the Tsar Alexander I. The well-known courtesans, Wolters and Morel, were actually in his pay.¹ A little later the Princesse de Lieven was a

¹*Secret Diplomacy*, J. E. Thomson and S. K. Padover, pp. 245-6 and 260.

conspicuous figure in the diplomatic world as the confidante of Metternich and Guizot. As suitable instruments of espionage M. de Callières recommends dancers, "who, by virtue of their profession, have access to the Prince less formal and very much more intimate than any ambassador can perhaps have".

Until comparatively recently political and literary salons, such as those of Madame de Sevigné, Madame de Staël, Madame Récamier, the Princesse de Thurn et Taxis, the Duchesse de Courlande, and later the Princesse de Lieven, and many others, served as the recognized haunts of diplomats. There rank and fashion, wit and beauty, literary and political talent would foregather. Those who had not the advantage of being admitted to these circles were undoubtedly at a great disadvantage. "*La politique*," observed Talleyrand to young Thiers, "*c'est les femmes.*" Indeed, did he not owe his first appointment as Minister for Foreign Affairs to his friendship with Madame de Staël? Did not Palmerston owe his to the influence of the Princesse de Lieven? It was at these salons that some of the worst of Talleyrand's intrigues against Napoleon were hatched. He once observed of the Princesse de Vaudemont: "*On peut regarder sa maison comme l'asile le plus doux de l'amitié et le lieu le plus dangereux pour les gouvernements mal affermis. On y comploté en toute sécurité. Les fauteuils y sont si bons, la vie si agréable et si niaise que les espions s'endorment.*"¹

Nor has the political salon entirely passed away even in our own time. The famous salon of Hélène, Comtesse de Portes, where Abetz, Ribbentrop's agent, Baudouin, de Brinon, and other devotees of Nazism would foregather, was a hotbed of fifth columnist intrigue. Perhaps at no time in the world's history has feminine influence been fraught with greater human calamity than at the present if we are to credit the current stories of the sinister activities of this lady and such women as Edda Ciano, Frau von Ribbentrop, Frau Goebbels, and Princess Eudoxia of Bulgaria. The first has been held largely responsible for pushing her father, Mussolini, into war.²

There are instances in the history of diplomacy of duly accredited lady diplomats, such as the Maréchale de Guebriant and the Comtesse de Konigsmark. At Stockholm and at Oslo the Soviet Union and the United States of America have been represented by ladies. But

"the diplomacy of women is very much like that of eunuchs; it is false and dangerous, ultimate good seldom comes of it. Women are good as counsellors but bad as actors. Perhaps no negotiation has ever been perfected since the creation of the world without their interference and advice, but they are best kept out of sight. Their judgment is shrewd and clear on any abstract question submitted to them; but their own conduct is always too much influenced by personal feelings to render their entire management of affairs either proper or expedient."³

Despite all the espionage, corruption, and duplicity which was accepted as the normal practice of diplomacy, the greatest exponents of that art

¹ *Mémoires d'Aimée de Coigny*, pp. 199-200.

² *Guilty Women*, Richard Baxter.

³ *A Roving Englishman, Embassies and Courts*, Grenville Murray 1824-1881.

have always declared that integrity and honesty are the best policy. Even Machiavelli maintained that at least an appearance of sincerity was essential, for in his advice to Raffaello Girolamo, Florentine Envoy to the French Court, he insists strongly, from his own observation and experience, on the importance of a reputation for honesty. Richelieu, too, though none too scrupulous, asserted that high moral qualities were a prerequisite in a diplomatist, and inspired confidence and esteem. "Candour and probity," he declared, "are more likely to achieve success than subtlety and finesse." "*La véritable finesse,*" thought Choiseul, "*est la vérité dite quelquefois avec force, mais toujours avec grace.*" Cardinal Ossat believed fairness and honesty indispensable to success. That archintriguer, Talleyrand, joined this chorus by asserting that "diplomacy is not a science of art and duplicity. If good faith is necessary anywhere, it is in political transactions, for it alone can render them solid and enduring." But in view of their reputations, the opinions of these great figures savour more of the wisdom of the serpent than of devotion to high principle.

Ambassadors were usually selected from the ranks of *grands seigneurs* or prelates, who were ready to sacrifice their fortunes and themselves to further their Sovereign's interests. "It is desirable," wrote M. de Callières, "that an ambassador should be a man of birth, especially if he is accredited to the principal Courts." But to the prestige of rank and birth had to be added certain qualities of the mind.

Compared with the complexities of modern international relations, the problems of those days were, of course, simple. But they were often exceedingly important and required an adroitness and delicacy such as might have taxed the ability of the best diplomatists of any age. The age of high specialization had not yet arrived and such social and economic problems as came within the purview of foreign affairs were in a form so free from technical complications that they could be easily dealt with by diplomatists. There must have been few questions, whether military, naval, financial or economic, which a properly briefed diplomatist could not handle without the help of the many experts who nowadays tend more and more to displace him. The absence of all modern technical complications and the fact that the diplomatist represented the personal interests of his Sovereign rather than those of his country, tended to keep diplomacy in a comparatively narrow and well-trodden groove. Diplomacy was still an art rather than a science. It required nimbleness of mind and *savoir faire* rather than the profound knowledge and wide intellectual sweep demanded by modern conditions. Not that a diplomatist could dispense with a liberal education; on the contrary. But his chief assets were mental agility and the ability to rise to the occasion.

It was essential for the diplomatist in all his fields of activity to move with ease and grace and so ingratiate himself with the leading spirits in all sections of the *grand monde*. Thus only could he hope to win the confidence that secures access to information otherwise unobtainable, and if he was a keen observer he could detect opportunities that could be turned to precious account. But what were the aims of all this diplomatic activity under absolutism? In the main it was the extension of territorial sovereignty and political power, less for the satisfaction of national economic needs than of the personal dynastic ambitions of rulers.

The picture presented by M. de Callières of the perfect diplomatist in the heyday of absolutism is still the popular conception of what a 20th-century diplomatist should be, and we have all been made familiar with it in history, in the novel and on the stage. The features peculiar to the type are still essential today. But the disappearance of so many Courts since the First Great War and the decreasing importance of aristocracy in all countries has reduced the value of ornamental qualities, so that birth, the purse, and the mind rank, in accordance with the spirit of the times, in inverse order of importance.

Throughout the ages absolutism rather than democracy has been the system of government. Democracy, of course, existed in ancient Greece and in mediæval Italian cities, but representative democracy as we know it today is a comparatively recent product. In the modern dictatorships absolutism has now returned in a peculiarly virulent form. Machiavelli's *Prince* was Mussolini's Bible. Hitler, too, has never been without it.

Singleness of purpose, whether for good or for evil, makes for efficiency and effectiveness in diplomacy. It has therefore always worked best under a single dominant will, untrammelled by a vigilant Parliament and the jealous curiosity of an inquisitive public.

In democratic countries today, the will of the nation and not that of the Sovereign controls diplomacy, and there is a different orientation of aim. The difference between the old and the new lies less in the manner of deportment or in the mental attributes of diplomats than in the enormous extension in the range of diplomatic activity and in the effect economic, social, and constitutional changes have had on the functioning of diplomacy since the Industrial Revolution.

CHAPTER II

THE EFFECTS OF THE INDUSTRIAL REVOLUTION ON MODERN DIPLOMACY (ECONOMIC, POLITICAL, AND SOCIAL CHANGES).

"Across the deserts of Kentucky there will travel on iron roads seemingly magic wagons driven without horses, carrying with extraordinary speed both enormous weights and five or six passengers. The isthmus which joins the two Americas will break its barriers to give ships transit from one ocean to another."

CHATEAUBRIAND: *Mémoires d'outre Tombe.*

(a) ECONOMIC CHANGES

THERE are, broadly speaking, three stages of economic evolution; the first is that of local self-sufficiency which lasted until the end of the 15th century; the second is that of the extension of self-sufficiency to larger areas when national economy took the place of local economy; the third started with the Industrial Revolution about the middle of the 18th century, finally resulting in the development of national economies into

a world economy of interdependence and interpenetration. World economy became the foundation of all international relationships up to the First Great War.

The advent of the machine gave diplomacy a new background, enlarged its scope and changed its character; it forged the fetters with which we see it bound today. In less than a century the machine transformed the basic structure of society with far-reaching effects in the sphere of foreign affairs. But this was not appreciably felt until the end of the 19th century when, by the development in production, transport, and finance, economic considerations began to invade the political foreground.

Production comes first in importance. With the machine, industrialization developed apace and led to an ever-increasing need for markets, raw materials, foodstuffs, space for surplus population, investment of capital, and the subdivision of labour, first on a national and then on an international scale.

The sea-borne traffic of the old wooden sailing ships became wholly inadequate for modern requirements. The steamship, with its greater speed and carrying capacity and lower charges, revolutionized ocean transport and gathered the produce of vast continents to the ports, while the application of steam to land transport created the railway. Thus was forged a chain of interdependent international activities linking up manufacturing Europe with the great countries producing raw materials and foodstuffs.

Without the simultaneous development of finance, neither production nor transport could have made these strides. Up to the middle of the 19th century savings were usually invested at home, but the enormous growth of capital due to the machine, the new enterprises in all parts of the world, and the facilities afforded by the Stock Exchanges for the investment of capital anywhere, now led to these savings being drawn into profitable employment abroad. Countries like those of Latin America and the United States, with their immense natural resources, began to turn to London and Paris for the flotation of loans and the promotion of railway, mining, and other enterprises.

At first the money markets of Amsterdam, London and Paris supplied the whole world with the financial backing which the Industrial Revolution had made both possible and profitable, but, as industrialization spread, other markets, such as New York, Berlin, and Frankfurt, came into existence. In course of time, the facilities afforded by the machinery of international payments, the telegraph, banking agencies, and the telephone made possible the purchase of foreign stocks and shares on all the Stock Exchanges of the world. Today the magnitude of financial transactions is such that various banking centres have to co-operate in the flotation of loans. The Stock Exchanges of the world have thus enabled capital to be directed into the most remunerative channels regardless of political frontiers.

Thus, up to the First Great War, production, finance and transport had all been internationalized. The interpenetration and interdependence of nations had become almost complete. Huge international combines, mergers, trusts and cartels with enormous financial and political power behind them had sprung into existence. Though the world was still

politically divided, it had become economically one. Nations prospered or languished together.¹

Before the Machine Age agriculture had been the basis of world economy for over 2,000 years. The economic activities of all nations were chiefly domestic. Today it is hardly possible for the native of any country to go about his daily business without unconsciously furthering the work of international co-operation and goodwill. The man in the street may be surprised to learn that he participates actively in the business of foreign affairs; but truth to tell, in his purchases alone, he can hardly make a disbursement without in some way involving a transaction with some foreign country. It is the sum total of all individual activities, in so far as they relate to other countries, that creates the interests on which the whole fabric of foreign affairs is built. And yet both the individual and Governments, oblivious of the reality of economic forces, still persist in thinking and acting in terms of nationalism. It is no longer the monarch or the statesman, but the industrialist, the financier, and the man in the street who lay the foundations of foreign policy. In all great industrial states, where individual activities have become collectivized, big business, finance, and vested interests often dominate, not only legislatures but also domestic and foreign policy.

Great Britain was the pioneer of industrialization, and by the end of the 19th century her commercial position was paramount in almost every quarter of the globe. But her competitors had already begun to appreciate that, by a closer interlocking of industry, finance, and transport a weapon could be forged that might penetrate the British armour. Hence that concentration of effort, first known as rationalization and now as planned economy, which was practised by Germany even before the First Great War. It produced a system which, though by no means perfect, nevertheless succeeded in capturing many a British market.

When quite free, industry, trade, and finance in all countries tend to work along international lines, for their motive is not political but economic gain. The further the process of collectivism goes, however, the more likely is it to become an instrument of national policy under Government direction, and then it enters the field of foreign affairs and diplomacy comes into play. The interests of industry and finance by no means always coincide with those of the nation. These are sometimes so powerful that the policy of Governments is often dominated by private rather than national interests. To this is largely due the multiplication of trade barriers. Influences which obstruct the normal flow of international life are always unstatesmanlike, harmful, and in the end endanger peace.

By far the most important consequence of the Industrial Revolution was the economic world hegemony of certain European States, notably Great Britain. As the sole producer of manufactured goods, purveyor of capital and of technical skill, and as the best market for the raw materials and foodstuffs of non-European countries, Europe had everything her own way. Mass production and cheap transport made the rest of the world dependent on her. Her superiority lay less in her natural resources (for they are relatively poor) than in her technical skill and scientific methods. Now, as it became necessary to control the whole system of

¹ *Political Myths and Economic Realities*, F. Delaisi.

organized production at both ends, the opportunity was provided for advancing and governing the backward races. Although there was much rivalry and competition among the European Powers in their search for exploitation and outlets, on the whole Europe displayed much solidarity in imposing her will on the outside world.

When once the industrial machinery had been set in motion, the flow of imports and exports could not be allowed to cease without the risk of widespread distress and even famine in every industrialized state. So vital became the need of continual expansion in markets and the control of raw materials, that it ceased to be purely economic and assumed a highly political complexion. Science had bestowed on Europe such superiority in military and economic power that she could command obedience. The spirit of imperialism was greatly fostered by the blast furnace and the spinning-jenny. Few overseas people could withstand the encroachments of Europe, whose monopoly of the business of the world was conceived in her own exclusive interests. Though her dominion was complete, absolute, and self-centred, still it redounded to the advantage of all. It was essentially a white man's supremacy, for while he occupied only four-tenths of the habitable globe he had acquired political control of nine-tenths.¹

Up to the outbreak of the First Great War the world was a single economic unit. It was a delicate structure, but its mechanism functioned with great efficiency, and so firmly had it established itself that it had all the appearance of permanence. The East, however, soon began to probe the secrets of the West. Signs of revolt, already apparent towards the end of the 19th century, clearly indicated that Europe's old relationship with the extra-European world could not endure. The First Great War broke up the world's unitary system; but the seeds of Europe's undoing lay in her methods. With the perfection of machinery, skilled labour could be largely dispensed with. "A workman requires no more skill than he needs to hang up his hat on a peg," says Mr. Ford. The East began to import from the West complete industrial equipment and, since the yellow races worked not only in freedom from irksome social legislation but also on lower wages, they began to challenge Europe's predominance. Japan has now become so highly industrialized that she can even manufacture her own machinery.

With water power, oil, and electrical transmission, industry is no longer exclusively dependent on coal and is free to migrate anywhere. Since the beginning of the century the tendency has been for it to move ever further away from those white countries where Trade Unions control labour, in order to settle where wages are low. Even in the United States of America industry has tended to migrate from the white to the coloured areas. Industries calling for a high technique are developing in South Africa, South America, and China, as well as in Japan. The struggle is now between two standards of living.

The United States, on the other hand, with their immense natural resources and huge home markets, have by mass production and large-scale organization been able to maintain a higher wage level than Europe and yet to compete with her. Thus Europe is today challenged on all sides

¹ *Europe's Crises*, André Siegfried.

through the adoption of her own methods by others. Unless some adjustment can be found, it will only be a matter of time before Europe loses her industrial predominance.

The Industrial Revolution first gave Great Britain the lead in European supremacy of the world, then made her share it with new rivals. We are apt to forget how recent Britain's ascendancy is. In Cromwell's time Great Britain was still a minor Power, and in Charles II's her population was only a third of that of France. It was not until after the Napoleonic wars that Britain emerged as the most powerful and wealthy nation in the world, and remained so throughout the 19th century.

(b) POLITICAL CHANGES

A hundred years ago there were only four Great Powers—Great Britain, France, Austria, and Russia. Germany was still a conglomeration of small kingdoms, principalities, and free cities under the tutelage of Austria. Italy consisted of the kingdoms of Naples and Sardinia, the Papal States, and a number of independent duchies and Austrian dependencies. Turkey and Spain had ceased to be active factors. There were no non-European states of any importance. The United States of America had only just emerged from her struggle for freedom; the South American States had embarked upon a career of revolutionary self-immolation; Japan still jealously guarded her traditional policy of seclusion; China remained wrapped in torpor; Africa was little more than a geographical expression. The non-European countries might become the bones of contention for the great European Powers, but the big diplomatic jousts were confined to a very small tilting-yard consisting of the Cabins of London, Paris, Vienna, and St. Petersburg, where the fate of the world was decided.

During the last half-century, however, four new candidates entered the diplomatic lists as Great Powers. The year 1870 saw the unification of Italy, and in 1871 the German Reich was born. A few years earlier the United States had reached unity after her civil war, and Japan—a mediæval feudal state until 1868—was starting on her career which, in spite of poor natural resources and cramping political conditions, raised her to the status of a great military, maritime and industrial Power within the brief space of fifty years. Thus the British policy of the balance of power lost all its old simplicity. Germany and the United States, through their industrialization, began to threaten Great Britain's supremacy. Competition became more severe, but there was still room for all three without too much jostling, and still scope for economic and territorial expansion without creating undue tension. But with an increase in tempo came political friction. The turn of the century saw the distribution of world power greatly altered to the disadvantage of Great Britain. The Continent was now dominated by Germany. German, Japanese, and American sea power began to whittle down Great Britain's naval supremacy. Industrial competition not only deprived her of many of her markets, but also lowered her rank, as a producer of iron and steel.

The rivalries thus created soon ripened into a state of mutual fears and jealousies. Never before had nations armed against each other on

such a scale, or shown such eagerness for alliances. For a time a precarious balance was maintained between the Triple Alliance of Germany, Austria, and Italy on the one side and the Entente Powers of Great Britain, France, and Russia on the other. If two Great Powers fell out, the rest would have to come in. It needed only a spark to fire the train.

(c) SOCIAL CHANGES

Although the Industrial Revolution started in the middle of the 18th century, it was not until the end of the 19th that its full social consequences began to be felt. Throughout the previous centuries dynasties and political institutions had come and gone, leaving the economic conditions almost untouched. But so swift have been the advances of science in the last hundred years that the position is now reversed. The trouble of the present age is that the economic and social subsoil is shifting more rapidly than its political superstructure.

In Great Britain the extension of the franchise, by the Reform Bill of 1832, from 500,000 to 1,000,000 had no immediate influence on foreign policy, which still remained in the hands of an expert few. Public opinion could, as ever, be roused on moral, but not yet to any great extent on economic issues. The expansion of British trade and commerce abroad, as the result of intensive industrialization at home, had hardly caused a ripple on the political surface. The reason was that, so long as Great Britain enjoyed the virtual monopoly of being the cheapest producer of manufactured goods in the world, she had little foreign competition. Under free trade she grew rich and powerful. Excepting the negotiation of an occasional Treaty of Commerce dealing exclusively with matters of trade, Foreign Secretaries and diplomatists were little concerned with the commercial activities of the country which they regarded as rather sordid and beneath their dignity, though in very fact they constituted the warp and the woof of our foreign relationships. And as yet no great economic and social problems had come to the fore to sully the purity of their political thought. They had not to delve and think deeply. While such conditions prevailed and trade required little assistance from Government they had no need to probe beneath the political surface. British foreign policy was dominated by political nationalism. In the heydays of Great Britain's power our diplomatists had only to speak with the authority that national prestige gave them to obtain what they wanted, while, to the masses, foreign affairs remained a closed book. This apathy towards foreign policy was not confined to the electorate; it extended to the House of Commons.

Throughout the Victorian era the House of Commons continued to be dominated by the landed gentry. Ministries of all parties were led from the House of Lords, and the office of Secretary of State for Foreign Affairs was usually held by a peer. Except at times of crisis and when moral issues¹ were involved, foreign affairs did not preoccupy Parliament to the extent they do today. The cardinal principles of British foreign

¹ On moral issues, however, public feeling would often run high, as on the occasion of the German, Hungarian, Polish, and Italian struggles for liberty in the middle of last century, the Crimean War in 1854, the American Civil War, the Russo-Turkish War of 1876, the Afghan War of 1878-9, and the South African War of 1899-1902.

policy—the balance of power, two keels to one, freedom from foreign entanglements, free trade, and *laissez-faire* constituted the common ground of all parties. It was not until towards the end of the 19th century, when foreign competition began to be felt, that a keener interest in foreign affairs became more general.

Although the old social order had long been moribund and the masses had been drawn more and more into the vortex of world affairs, it was not until the end of the First Great War that the people claimed to control foreign policy. Until then, the nation had on the whole been content to leave the control to a few men drawn from the ruling classes who, assisted by trained officials, possessed the specialized knowledge. These men had generally been reared in a school where political considerations counted for everything and economic and social for nothing. But this attitude, blind as it was to new forces, was at least consistent in its negative outlook. As a result, the basic principles of British foreign policy remained constant right up to the First Great War, no matter what party was in power. This does not mean that our relations with individual Powers remained immutable.

It was not then realized—indeed it is hardly now—that, thanks to industrialization, domestic and foreign policy were rapidly becoming two aspects of one and the same problem. Issues were becoming more interlocked, negotiations more complicated and specialized, nationalism intensified by industrial rivalry, international co-operation impeded and the risks of war were increasing. All these developments, over which diplomacy had no control, only served to obstruct its path. Diplomacy was gradually being fettered.

There could be no more daring anticipation of the present world troubles both within as between nations than the conclusion of the *Mémoires d'outre Tombe* by Chateaubriand: "Too great a disproportion in wealth and condition can be endured so long as it is hidden; but the moment this disproportion becomes generally apparent the mortal blow is struck." He realized that human societies were threatened by the progress of science. "Imagine hands condemned to idleness by reason of the multiplicity and variety of machines. What will you do with unemployed humanity? What will you do with the passions and the intelligence left without occupation?" Are these not the very questions that will confront the industrialized world after the Second Great War?

Having thus posed the problem of unemployment and leisure in its most modern form, he ventured yet further into the future. He apprehended that socialist equality could assert itself only through despotism or dictatorship, that the remedy would be worse than the ill, and that the abolition of personal property would lead to a slavery to which history "however far one delves into it the past can show nothing comparable. Weary of private property, do you wish to make the government sole owner, distributing to a beggared community a share proportionate to the deserts of every individual? Who is to judge of those deserts? Who will have the power and authority to execute your decisions? Who is to hold this bank of human chattels and turn it to account? . . . Make no mistake, without individual property none are free. Property is none other than liberty. Present injustice—future tyranny."

CHAPTER III

DIPLOMACY UNDER DEMOCRACY

"Deux millions d'ignorances ne font pas un savoir."
TAINE.

THE economic developments of the 19th century were accompanied by the growth of democracy. The control of foreign affairs in many countries tended to pass out of the hands of the Sovereign into those of Ministers responsible to Parliament. In this country the responsibility for foreign affairs came to rest primarily with the Foreign Secretary and ultimately with the Cabinet, which in its turn was collectively responsible to a Parliament based on an ever-extending franchise. The change involved further fetters on diplomacy.

No reasonable man will dispute the people's right to approve a general line of policy and to have the final voice on peace or war. In times of crisis, however, the conduct of foreign affairs should be left entirely to the Executive, provided the general line of policy has received the popular assent. Unfortunately, these are precisely the moments when the masses, who are then wholly at the mercy of the Press and political wire-pullers, are prone to make themselves felt. Foreign affairs tend to become ever more complex as well as kaleidoscopic in their fluctuations, with the result that the man in the street is the last person capable at a moment's notice of judging a complicated international situation accurately. He has neither the leisure nor the means for mastering it, even if he has the desire and ability to do so. Apart from party propaganda, which is more bewildering than helpful, he receives no guidance. That is why the people so often oppose today what they approved yesterday, without realizing their inconsistency.

Not until after the experience of the First Great War did the electorate seek much control of foreign policy. Between Waterloo and the Marne—a period of comparative peace and security—Parliament intervened only on great occasions. Nevertheless it did, as indeed it should, take cognizance of foreign policy, and it always possessed a very effective means for the removal of any Foreign Secretary who had lost its confidence. The annual report on foreign affairs made in Parliament when the Foreign Office vote has to be taken provides the opportunity for criticism and, if necessary, for refusal of supplies. The control of the purse is, however, effective only when Parliament takes a constant and active interest in foreign affairs. This was not the case until after 1918, since when foreign policy has become the battleground of party strife in the House of Commons as never before, for party cleavage now concerns basic principles of world society which transcend the limits of domestic politics and project themselves into the international sphere. This development is of the utmost significance, for it shows that foreign and domestic policy are now one and indivisible. Party cleavages which interfere with the vital issues of foreign policy can only serve to paralyse diplomacy.

Under modern conditions all legislatures labour under great disabilities as regards effective control of foreign policy. The considerations

on which policy is based are frequently so impalpable, so delicate, so intricate and require so high a degree of specialized knowledge, that it is next to impossible for a large deliberative assembly fully to appreciate the niceties with which a Foreign Secretary has to contend. Yet foreign affairs cannot be left to the mercy of ministerial whims; Parliamentary control must be a very real thing.

With the extension of the franchise the sensitiveness of Ministers to public opinion becomes accentuated. So critical indeed is public opinion today, that the utterances of Ministers in and out of Parliament sometimes show more desire to please the public than to convince the House of Commons or to be guided strictly by the merits of the problems they are called upon to solve. Probably the strongest point in favour of aristocratic rule, as regards foreign affairs at least, was greater objectivity and freedom from extraneous influences. In the scramble for power under democratic conditions it is almost impossible for a politician to attain a commanding position without sometimes stooping to unworthy practices. In spite of the ever-increasing insistence on democratic control, real political influence—at least up to the Second Great War—still rested with money. It is the immensely wealthy industrialists, the controllers of production and finance, of transport, of food, of fuel and of the Press who call the tune. These interests do not seek to exercise actual power so much as impose their will upon authority. They are mainly out for profit. Such influences are not infrequently opposed to the best interests of the state whether in the sphere of domestic or foreign policy.

The fact that foreign policy is no longer shielded from public curiosity, but subject now to fierce popular criticism as domestic affairs have always been, is one of the principal causes of that hesitation, inconsistency, and indecision which of recent years has characterized our foreign policy and has placed it at such a great disadvantage when at grips with the singleness of purpose of totalitarian diplomacy. The swiftness of decision with which dictators can act as compared with the uncertain, unwieldy, and slow-moving processes of democracy give the former an enormous advantage in the tactical handling of a crisis. But the diplomacy of dictators is far more dangerous because it so frequently relies on the sudden presentation of a *fait accompli*. Though often successful up to a point, it invariably creates fear, tension, suspicion, and all the conditions which ultimately lead to disaster.

One of the disadvantages under which a great peace-loving democracy labours is the inability of Government to threaten strong action in the interests of peace without the backing of public opinion, and even if that is forthcoming it is often too late to avert catastrophe. Dictatorship, be its faults what they may, stands for singleness of purpose. Democracies wait upon events, and in consequence their policies are prone to take the form of a fitful succession of contradictory impulses dictated by the circumstances of the moment. This is because their outlook is negative and lacks conscious aim.

Before going further in considering the effect of democracy on the conduct of foreign affairs, it is necessary to examine the functions of the persons responsible for it. In common parlance we use the word "Diplomacy" rather loosely. We apply it indiscriminately to the framing of policy and to its execution. Yet the distinction is an important one if

we are to understand rightly the difference between the proper functions of a Foreign Secretary and those of a diplomatist. Diplomacy is not policy but the agency for giving effect to it. Both are complementary to each other since the one cannot act without the co-operation of the other. Diplomacy has no separate existence from foreign policy, but the two together form one executive function, policy determining the strategy and diplomacy the tactics. Good diplomacy may be the handmaid of bad policy and good policy may be wrecked by bad diplomacy.

The machinery for the conduct of foreign affairs resolves itself into two parts: one the Foreign Secretary who, with the assistance of his permanent staff and in consultation with the Cabinet, determines policy; and the other the Diplomatic Missions abroad whose duty it is to inform and advise the Foreign Secretary and to execute the policy decided upon by him. Though the Foreign Secretary and the diplomatist deal with the same subjects, their functions are distinct but interdependent. Neither the framer of policy nor the negotiator can dispense with the other. The Foreign Secretary is always a politician and may sometimes be a statesman. It has been said that "the difference between a statesman and a politician is that the former looks to the next generation and the latter to the next election".

In formulating his policy, the Foreign Secretary has to consider the information and advice of his diplomatic agents all over the world; not only in relation to foreign but also domestic policy. He must, in these days of democracy, keep his finger steadily on the pulse of public opinion and of Parliament to a far greater degree than was necessary a few generations ago. When domestic and foreign policy are at cross purposes one of the difficulties of a Foreign Secretary is to prevent domestic policy from dominating foreign policy. Domestic considerations often present a psychological obstacle to the handling of world problems in the interests of peace. He has constantly to choose between true and farsighted statesmanship and momentary political expediency. His difficulties and responsibilities are far greater than those of any diplomatist. He has to weigh a mass of imponderabilia which lie outside the diplomatist's scope. In a word, he has to be a strategist in the fullest sense of the term.

The diplomatist by contrast is a tactician. He informs, he advises, he negotiates, but he does not in the end decide. His training, his specialized knowledge of the local conditions, and his understanding of the psychology of the people with whom he is in daily contact pre-eminently fit him for this particular task. If skilled in the art of negotiation, he will instinctively know the best manner in which his instructions should be carried out. He is the best judge as to whether what was impossible yesterday, and doubtful today, may not be feasible tomorrow. It is here that good judgment and perspicacity count for so much. Diplomacy is the art of managing men by other means than that of direct authority. This accounts for the fact that complete candour must often be tempered by reflection.

Of recent years there has been much discussion on the relative merits of open and secret diplomacy. Rightly or wrongly the responsibility for the First Great War was sometimes put down to the evils of secret diplomacy. The foremost champion of open diplomacy was President Wilson. The first of his famous Fourteen Points lays down:

"Open covenants of peace must be arrived at, after which there will surely be no private international action or rulings of any kind, but diplomacy will proceed always frankly and in the public view."

Article 18 of the Covenant of the League of Nations which was intended to give effect to these principles reads as follows:

"Every treaty or international engagement entered into hereafter by any member of the League shall be forthwith registered with the Secretariat, and shall, as soon as possible, be published by it. No such treaty or international engagement shall be binding until so registered."

The treaty-making power in this country, theoretically, rests with the Sovereign. Constitutionally the consent of Parliament is not necessary. A treaty concluded by the Executive and ratified by the King becomes legally binding. Among foreign Powers there are many examples of secret treaties, but in this country secret treaties, in our time at least, have never found much favour and it has now become the established practice that no treaty of first-class importance shall be concluded without obtaining the consent of Parliament before ratification. This was so even before membership of the League precluded all secret engagements.

As regards secrecy during negotiations, Lord Grey of Fallodon once said:

"There is a great deal in foreign affairs which cannot be disclosed. Secrecy there must be up to a certain point because in foreign affairs we are dealing with the relations with other countries, the secrets of which do not belong to us especially but which we are sharing with one or more foreign Powers. . . . Very often at an early stage of negotiations to make a premature disclosure would result in the other Power desiring to break off negotiations altogether."

One of the chief reasons why the Treaty of Locarno was brought to a successful conclusion was the fact that it had been carefully prepared in secret for months beforehand through the normal diplomatic channel.¹ Negotiations of this kind require very delicate handling if they are not to arouse national prejudices.

The League of Nations popularized the much-criticized practice of diplomacy by conference. Since nearly all the major problems of today concern the whole world, rather than nations individually, there is no other way of dealing with them than by conference. The growing interdependence of nations and the advance of science has made them not only multilateral but also highly specialized and technical. This has tended more and more to concentrate the direction of affairs in the hands of experts at home. Ministers alone, and not diplomats, are in a position to gather up all the threads and with expert advice to deal with subjects on a multilateral basis. This universality of the modern diplomatic problem is responsible, at least in part, not only for the great increase of international conferences but also for the reduction of the scope and initiative of the professional diplomatist.

¹ Ambassador of Peace, Lord D'Abernon.

The success of this new method depends partly on the attitude of mind which the participants bring to the discussions and partly on the degree of preparation and agreement which has been reached beforehand. Inadequate preparation and lack of substantive agreement in advance has been the cause of the failure of many conferences. The effect of public opinion on the negotiators during the discussions has a powerful influence on the result. To negotiate in the limelight of public opinion is a great handicap to delegates because, as Sir Austen Chamberlain once observed, they have from the very first to take up a position from which they cannot recede, thus jeopardizing agreement by compromise.

Still, the necessity for preparation leaves much for diplomacy to do behind the scenes, though the technical character of so many international problems of first-class importance necessitates that even the preparatory work should be undertaken by experts rather than by diplomatists. As soon as a subject, though essentially political in its wider aspect, becomes technical in detail—and the tendency is for this to increase as science advances—there is always the risk of the experts ignoring the overriding considerations of high policy. Besides, it presents an opportunity for endless interference in matters of policy which lie outside their province. Much mischief can be traced to this cause.

But more important still are the meetings between the Prime Ministers of the Great Powers and between their Foreign Secretaries which the advent of the aeroplane has so greatly facilitated. The gatherings at the League did much to encourage the practice. The leading Ministers of all countries came together in the ordinary course of their duties at the meetings of the Council and Assembly four times a year and so were able to establish direct touch with one another. The greater intimacy established by personal contact creates the feeling that ministerial *tête-à-tête* conversations are preferable to formal official communications through the normal diplomatic channel. This is pre-eminently the case in wartime. The effect is to encroach upon what is peculiarly the province of the diplomatist. The result has not always been happy. Moreover, it becomes much more difficult to maintain the secrecy so essential to all successful negotiation. When a Minister in peacetime flies from one capital to another all the world is on the alert. The Press, the wireless, and the photographers at once get busy. His every movement is watched, his every word is broadcast, every gesture noted, every rumour distorted and magnified. Then follow the non-committal communiqués, and, not infrequently at a most critical moment, a devastating leakage, due sometimes to accident, sometimes to calculated indiscretion. To make known the vicissitudes of negotiations at intermediate stages is not only embarrassing, but often fatal. But, worst of all, if a Minister fails it is known at once and the door is closed against further negotiation, for, unlike the diplomatist, he speaks with an authority which is binding and final. If a diplomatist fails it can be kept secret and the door remains open. Moreover, diplomatists can speak with greater personal freedom and need not commit their Governments unless acting on instructions. The diplomatist can act as a shock-absorber in a way that a Minister never can. He is free from the embarrassment of having to conduct negotiations, often delicate in the extreme, in the limelight from which a Minister cannot always escape.

Nevertheless ministerial visits with all their risks and dangers are not without advantages. Personal contact between the leading statesmen of different countries enables friendships to be formed, more intimate relations and better understandings to be established. These in turn create confidence and confidence makes for co-operation. Quiet discussions behind the scenes at Geneva and elsewhere should not be judged lightly merely because they tend to displace the diplomatist. But for the distance which has always separated heads of states from one another, there would be no necessity for ambassadors at all. The more distance is destroyed, the more is their importance reduced. On the other hand, there was a bad side to Geneva. It was a world stage, and it would have been singular indeed if, as such, it did not possess an irresistible fascination for politicians. Never before was there such an opportunity for the display of oratorical talent before a world audience.

The ambulatory diplomacy of Ministers is, of course, not an entirely new thing. Lord Clarendon, when Foreign Secretary, went to Paris in 1856 to negotiate the Treaty of Paris. Lord Salisbury went on an abortive mission to Constantinople in 1876. Lord Beaconsfield and Lord Salisbury both attended the Congress of Berlin in 1878, and there are many other instances. But what was the exception has now become the rule. When Ministers and experts establish direct contact with their opposite numbers they short-circuit the normal channels of diplomacy. The closer the team-work and personal contact between the fountain-heads of authority, the more specialized and technical the intricacies of foreign affairs become, the more will the professional diplomatist be pushed into the background, and his prestige and authority lowered in the eyes of the government to which he is accredited; this is especially true when he has to deal with a dictator.

Unfortunately for the diplomatist, the travelling-circus technique has come to stay; it is the inevitable result of modern conditions. The major issues of foreign policy are in our time always more likely to be settled by meetings between Ministers and at international conferences than by negotiations conducted by diplomats. Moreover, the modern electorate prefers its own representatives to the professional diplomatist. This is evident from the growing frequency with which the professional diplomatist is being superseded by a Cabinet Minister, not merely for an *ad hoc* purpose, but as the actual incumbent of an important post. During the First Great War, Lord Grey and Lord Reading became Ambassadors at Washington, and during the Second Great War Sir Samuel Hoare became Ambassador at Madrid, Sir Stafford Cripps at Moscow and Lord Halifax at Washington. Excepting where distance precludes the meeting of Ministers, the professional diplomatist has been supplanted by the politician as regards negotiation in all matters of supreme importance, especially when there is kudos to be got out of it. Professional diplomats have thus been very largely reduced to the transaction of day-to-day business with the governments to which they are accredited and to what may be termed diplomatic journalism; to the delivery of messages and to the preparations for ministerial visits. They are thus tending to revert to the position whence they started 4000 years ago, when Pharaoh made them his messengers. Still, there is much art in the delivery of messages, especially when unpalatable, for if not tactfully handled it may precipitate rather

than surmount a crisis. The professional diplomatist still plays a part, but it is one of diminished importance.

The world of diplomacy has changed. But whatever changes the new dispensation may entail as regards methods and mental equipment, the chief aim of democratic diplomacy should always remain the same. That aim is the maintenance of peace. It can be secured only by eliminating the known causes of war and by constant and sustained effort to prevent new ones from developing.

CHAPTER IV

THE CAUSES OF WAR

"The world is a carcase; whoever wishes a part of it should accustom himself to the society of dogs."

ALI: *Life of Mahomet.*

SINCE the dawn of history war has been more prevalent than peace. It has been calculated that from the 15th century B.C. until the present time, a cycle of 3400 years, there has been less than 234 years of peace, an average of fourteen years of war to one of peace. Out of the ninety-four years between 1689 and 1783, England alone was engaged in war for forty-five years. Nevertheless there have been periods in history such as the "Pax Romana" which lasted for a long time.¹

The causes of war have never been constant. At different periods of history different motives have prevailed. Wars have been fought for high and low ideals: for religion, for liberty, for unity, for dynastic ends, for national honour and for the redress of injustice, as well as for purely predatory purposes, for sheer lust of power and domination, for territorial expansion, for economic advantage, for political principles such as the balance of power, and for ideologies; there have also been punitive and preventive wars.

Though none of the causes of former wars can be ruled out as impossible of recurrence, we can for all practical purposes eliminate religious and dynastic wars. There is, it is true, something akin to religious fanaticism in the modern ideologies, but today no country is likely to go to war in order to impose its religious belief upon another nation. Dynasties are disappearing and the few monarchs that survive are more the servants than the masters of their people.

The wars for liberty and unity of the 19th century were predominantly political issues, but when we come to analyse the causes of modern wars we find that economic considerations predominate. Even Nazism, apart from Hitler's personal megalomania, rests on economic conceptions fundamentally more important and far-reaching than its ideology. According to Mr. Bakeless² no fewer than sixteen out of the twenty major wars between 1878 and 1918 can demonstrably be shown to have been due to economic causes such as "Colonial rivalries, tariff discrimination, and efforts to secure raw materials". The Sino-Japanese War of 1894 was for the resources of Korea. The Greco-Turkish War of 1897 was

¹ *The Valour of Ignorance*, General Homer Lee.

² *The Economic Causes of Modern War.*

fought for those of Thessaly and Macedonia. The Boer War centred round the gold-mines of the Transvaal and the Orange Free State. The Spanish-American War of 1898 and the Russo-Japanese War of 1904 were fought chiefly for economic reasons. The Italo-Turkish War of 1911 was instigated by the great Italian banks for the protection and expansion of their interests in North Africa.

Though primarily economic, the causes of the First Great War were indeed exceptionally complex because so many Powers took part in it and each had its own separate motive in addition to those which represented the common stock. In reality, the First Great War was not one war but several rolled into one. The war between Germany and Russia was a preventive war occasioned by Germany's fear of Russian military predominance and the new Russian strategic railways. The war between Germany and Great Britain was a struggle between the British principle of the balance of power and the German will to domination. The war between Italy and Austria was for the completion of Italian unity and dominance in the Balkans. The war between Russia and Austria was due to political rivalry in the Balkans, and the war between France and Germany was partly for economic and partly for political reasons. War has never been due so much to the natural pugnacity of man as to his desire to acquire the wealth of others. The favours which nature has bestowed on one nation and withheld from another engenders envy, covetousness, and hatred. From these conditions of inequality man has never been able to escape. That is why if the "Have Not" powers are strong enough their natural disposition is to turn to thoughts of plunder.

Today more than ever the primary cause of war lies in the unequal distribution of the world's natural resources. Since the Industrial Revolution the inequality has become much more accentuated through the progress of science and industry. This has served to tip the scales still further in favour of those nations whom fortune has particularly blessed with the good things of this world. In recent years changes of vital importance have been effected in the relative values of raw materials which has made all industrial states dependent upon certain minerals, the fortunate possessors of which may be said to control what the late Lord Stamp once described as the "keys to many enormous values and scientific potentialities formerly unrealized".

There are four prerequisites indispensable to any Great Power. They are:

1. The possession of substantial natural resources within its own sovereignty.
2. The control of the means of access to natural resources outside its own borders, viz. sea and air power.
3. A highly developed industrial organization.
4. The possession of ample financial resources to pay for its requirements from abroad if need be in the event of insufficiency of its export trade in time of war.

In short, since, under modern conditions, success in war depends so much upon economic staying power, a Great Power must possess natural wealth, sea power, industrial organization, and financial strength. To this, however, must be added population. Only the United States of

America and the British Empire fulfil all these conditions, though in the case of the latter population is declining. There are some twenty-five absolutely essential commodities as regards which the British Empire is in a position of overwhelming advantage. Of these it possesses adequate supplies in the case of eighteen, some in the case of two, none in the case of five only. Japan has adequate supplies in the case of three only, some of five, and none of seventeen. Germany has enough of four, some of two, and of nineteen none at all. Italy has adequate supplies of four, and of twenty-one none at all.¹

The disparity in the distribution of natural resources becomes even more glaring when we realize that Great Britain, France, Russia, and the United States of America own 85 per cent of the total mineral wealth and raw materials of the world, leaving only 15 per cent to the remaining sixty-eight countries, including Germany, Italy, and Japan. As regards territory, the same four countries control three-quarters of the globe, leaving only one-quarter to the other sixty-eight. The European and American people, representing one-third of humanity, possess 87 per cent of this planet. Of that 87 per cent something approaching 30 per cent is British.

In peace-time there is no obstacle to the "Have Not" Powers obtaining from the "Haves" all they want, provided that they can procure foreign exchange to pay for it. Indeed, producers are only too ready to sell their products to anyone. But so long as the power to turn off the tap remains with the "Haves", the "Have Nots" will never rest content; for that power can be used as a means of exerting political pressure in time of peace by threatening to paralyse the economic life of the less fortunate nations and to throttle them in time of war. To the "Have Not" Powers the fear of shortage and of monopolistic control is a matter of grave concern. Inequality in economic advantage, affecting as it now does the very vitals of the great "Have Not" Powers, has thus become more than ever the basic cause of modern wars. It is a question of sovereign rights. The maldistribution of wealth which produces class war within a nation equally makes for war between nations.

Fear is a powerful element in the creation of those stresses and strains which ultimately lead to war. The Hohenzollerns always kept the sabre rattling and the Nazis worked up a political fanaticism which kept all Europe on tenterhooks throughout the latter part of the between-war period. The real causes of the present war lie deeply rooted in the economic, social, and political conditions of the modern world, but in some countries they have become sublimated into a kind of pseudo-religious effervescence dividing the Great Powers into antagonistic groups according to ideological creeds inspiring mutual hatred and fear. As every ideology claims to be the sole panacea for a stricken world, none can tolerate rivals. The fanatical exaltation which ideologies engender provide what Mr. Wickham Steed has called the "indispensable condition" rather than the actual cause of war—in short, the psychosis of war which renders conflict inevitable. As regards Great Britain and France, the real motive which drove them to declare war on Germany in 1939 was the fear of the latter's

¹ *The Great Powers in World Politics*, Frank H. Simonds and Brooks Emeny. (New York, 1935.) *The Strategy of Raw Materials*, Brooks Emeny (1934). *The Round Table*, Sept., 1940.

ultimate domination of Europe if she continued on her course of absorbing one country after another.

Today we have a new kind of fear—that of economic warfare in time of peace as well as in time of war, in the shape of trade barriers and other restrictions which spell impoverishment, unemployment, and distress in the opponents' camp. Does capitalism play any part in this? It is perhaps a moot point; but unquestionably the search for the highest profits obtainable manifests itself in two distinct but closely allied forms, both of which are indisputably causes of modern war, namely economic imperialism abroad and economic nationalism at home. When the home markets no longer suffice, the economic penetration of foreign countries begins. At first it takes the form of a peaceful and beneficent development of the less advanced countries. The process starts with the exchange of manufactured goods for raw materials and foodstuffs. Soon capital begins to flow abroad in the shape of loans for railways, public utilities, mining concessions, manufacturing plants, and other enterprises. But it is not long before its peaceful character changes into one of keen competition and bitter international rivalry. As the discoveries of science advance, production increases by leaps and bounds and the scramble for markets abroad, for concessions, loans, monopolies, and spheres of influence grows ever more intense.

The importance of investments and markets finally assumes such proportions as to call for state protection, and so these private activities gradually become identified with national policy. What had hitherto been competition between individuals of different states becomes international rivalry as between governments. It has now long been the practice of all governments to assist their nationals, not only in their dealings with backward peoples but also in their competition with the nationals of rival states. It is here that diplomacy began to take a more active part in the promotion of national economic as distinct from purely political interests.

All the world over diplomats now vie with one another to secure contracts and concessions for their nationals. Competitive economic penetration is fraught with two dangers. It is apt to provoke the resentment of the exploited states and cause friction between the exploiting states. In the past ability to exploit economic opportunity has sometimes depended upon the military power that lay behind it. This has stimulated the race in armaments. Economic rivalry backed by military force first leads to an armed peace and finally to war.

Intense rivalry between private interests of different nationalities will not in itself produce war, but it provides a very fertile soil. Only when it has become identified with the political aims of governments do the seeds of war begin to germinate. "It is when an aura of political ambitions has attached to the investments," says Professor Staley, "and especially where the investments have been pushed in for political reasons from the start, that most of the dangerous investment frictions between great states have occurred."¹ It is then that whole nations can be worked up to war pitch.

Inevitably, keen international commercial rivalry brings into being new scientific methods with a view to increasing competitive strength. The

¹ *War and the Private Investor*, Prof. Staley.

concentration of capital, the close interlocking of finance, industry, and transport, cartelization, trusts, and fiscal policy, have produced the planned economy, aiming at the conquest of world markets and the control of the sources of raw materials. Once set in motion, the machinery of the planned economy has to be kept going full blast, for only so can employment and the standard of living be maintained. Today one of the greatest dangers to peace is the spectre of industrial paralysis and of mass unemployment which haunts the "Have Not" Powers to a far greater degree than it does the "Haves". Germany's only cure for large scale unemployment has been the expansion of armaments which placed the machinery of war in the hands of aggressively minded leaders.

During the long period of comparative peace which preceded the First Great War, though rumblings were heard, the warning passed unheeded. The sudden stoppage of international trade, the universally underestimated economic requirements of war, and the blockade of the defeated nations, brought suddenly into prominence what in days of greater freedom of trade had lain dormant: the unequal distribution of natural resources and the vital need of greater self-sufficiency in the interests of national defence. The "Have Not" nations began to realize the extent of their dependence on the "Haves", without whose goodwill their national economy could be brought to a standstill. Thus the question of raw materials and markets have come to assume the proportions of a major political problem.

Every great industrialized nation must today be chiefly concerned with the *Lebensraum* problem, for it affects not only security of its livelihood but also its capacity for national defence. No nation enjoys complete self-sufficiency, but the United States, the British and the French Empires, and Russia come nearest to it. They are therefore the object of envy and covetousness on the part of less-favoured nations. That is why the "Haves" are on the defensive and the "Have Nots" on the offensive.

Elbow-room for surplus population is another aspect of economic imperialism which arises from "the pressure upon the means of subsistence". Modern facilities of transport enable any nation to feed its population, provided it can pay for its imports by exports or services. Subject to this condition, there is hardly a country where the difficulty of over-population cannot be overcome by human agency. Owing to the growth of her industries between the years 1800 and 1880, Great Britain increased her population by twenty-two millions. This is far beyond what her own soil could support. Her emigrants were less than three millions.¹

Now all those parts of the globe suitable for the settlement of white men have long since been appropriated and have become either independent states, as in the case of the Spanish Empire, or have achieved self-government, as in that of the British Empire. Most colonial possessions lie within the tropical regions and are climatically unsuitable for the settlement of white populations, while most of the mineral and agricultural wealth now lies in the territories of sovereign states themselves. Therefore, in either case, the "Have Not" economic imperialist ambitions can be satisfied only at the expense of other sovereign states—in other words by war. The alternative for those countries which cannot support

¹ "War Need Not Come", Dr. Maxwell Garnet. (*Contemporary Review*, April 1936.)

themselves from their own resources is to become industrialized and import foodstuffs in return for manufactured goods, resort to emigration, or restrict population, and be content with dependence upon the goodwill of more favoured nations.

Though the world has been parcelled out politically, there is no dearth of economic opportunity. There are still vast spaces untouched, sparsely populated and rich in natural resources, whose development is retarded because sovereign rights make them close preserves. The "Have Nots" sense of grievance is aggravated by the fact that such vast territories as the "Haves" possess are far in excess of their needs or capacity to develop. There is hardly a British Dominion that could not support a population many times its present number. In the United Kingdom and the Dominions population is diminishing, in France it is stationary. But what causes most irritation of all is the spectacle of such small countries as Holland, Belgium, and Portugal possessing enormously large and rich overseas territories.

If the 19th-century scramble for unappropriated territory produced international friction, claims and counter-claims could generally be adjusted, but since the melon has been cut up the world has entered on a much more dangerous phase, for now differences represent clashes of sovereign rights. To the "Have Nots" the only satisfactory solution is conquest—the same method by which the "Haves" acquired many of their possessions.

If economic imperialism represents the offensive, economic nationalism represents the defensive aspect of the international competitive struggle which renders the protection of markets at home as essential as their conquest abroad. This is the product of the Industrial Revolution of which the British people were the pioneers. If it had made the world economically one, it had also served to intensify political antagonisms by forcing nations into opposite and hostile policies. Free Trade redounded to the advantage of Britain, being the most highly developed manufacturing country in the world. Protection favoured the infant industries of the less advanced states. Cobden foresaw that unless trade barriers were swept away by all nations the new world economic dispensation created by the Industrial Revolution would be productive of more international strife than when nations were primarily dependent on their own resources, for, as the disparity in the distribution of the world's wealth among nations would become more and more accentuated, so would wars become more frequent because the prizes of victory would become more tempting. He preached Free Trade not so much for the benefit of Britain alone as for that of all nations and, above all, for the maintenance of peace. His prophetic words of a century ago are worth recalling:

"If I were not convinced that the question comprises a great moral principle and involves the greatest moral world's revolution that was ever yet accomplished for mankind, I should not take the part I do in this agitation. Free Trade! What is it? Why, breaking down the barriers that séparent nations; those barriers behind which nestle the feelings of pride, revenge, hatred and jealousy, which every now and then burst their bounds and deluge whole countries with blood;

those feelings which nourish the poison of war and conquest, which assert that without conquest we can have no trade, which foster that lust for conquest and dominion which sends forth your warrior chiefs to scatter devastation through other lands and then calls them back that they may be enthroned securely in your passions but only to harass and oppress you at home."¹

The British people accepted Free Trade because enlightened self-interest had convinced them that it would bring grist to their mill; but Cobden's wider vision passed unheeded. Though we could never force other countries to adopt free trade contrary to their interests, the question as to where the Industrial Revolution would eventually lead us never troubled any Foreign Secretary from Cobden's time to the present day. And yet all the while the economic forces beneath the surface of political events were moving slowly, imperceptibly but inexorably towards catastrophe. Even the First Great War brought little enlightenment. It needed a second and more devastating calamity to bring the lesson home. Of course, in the absence of any equipment for diagnosing world economic developments in their relation to political events, nothing but drift could be expected but, wherever the fault may lie, that blindness to the inevitability of the shape of things to come, which Cobden had so instinctively felt and so clearly foreseen, is none the less responsible for much that is happening today.

One of the effects of the First Great War was to stimulate industrialization everywhere to an unprecedented degree. The neutral states which, during the war, had been cut off from the supply of manufactures exported by the belligerent states began to industrialize themselves. Infant industries require a high degree of protection. Tariff walls grew higher and higher. The Peace Treaties created over 7000 miles of new frontiers. Economic nationalism tends to turn all states into sellers without buyers, thereby causing all-round impoverishment in a world of plenty. Quotas, exchange control, and bilateral barter agreements intensify the evil. It is easy to see that when economic imperialism, under the pressure of increased productive capacity at home, comes into conflict with economic nationalism rampant abroad, an explosion becomes inevitable.

Since the chief purpose of diplomacy is to maintain peace, and since the spread of industrialisation has long made it unmistakably clear that unless international co-operation could be substituted for international competition, war would inevitably ensue, it is indeed remarkable that the foreign policy of none of the Great Powers ever seriously attempted to allay the rapidly increasing political tension by grappling with the underlying economic causes in some well-thought out comprehensive plan.

What the great "Have Not" Powers want is not merely facilities for satisfying their needs, but that degree of economic independence without which no nation can call itself a Great Power. This unfortunately can be obtained only at the expense of the "Haves". The craving for self-sufficiency on the part of the great "Have Not" nations is a menace to all states but especially to the weak, since it can be most easily satisfied at their expense, either by conquest or politico-economic domination.

¹ Speech at Covent Garden Demonstration, September 28th, 1843.

The voluntary transfer of territory by the "Haves" on a scale large enough to satisfy the "Have Not" ambitions is of course out of the question.

We must be careful to distinguish the basic causes of war from those which are merely immediate and contributory factors, as well as from the occasions and pretexts which, at any given moment, may precipitate a conflict. A basic cause may not by itself suffice to bring about a war without many contributory factors. Economic necessity is basic, but it can achieve nothing without armaments. Since bloated armaments infallibly lead to war they assume an importance almost equal to the root cause, though they are in reality only a means to an end. It is a fallacy to assume that disarmament would remove the basic causes of war. It would, of course, remove a dangerous contributory factor, by suppressing militarism, allaying fear, and diminishing the horrors of war. On the other hand, wars once begun would last longer. Reduction of armaments would discourage but not necessarily prevent war, for the same relative potential military strength would continue to exist though on a reduced scale.

In our diagnosis of the causes of war we must not leave out of account the personal element as exemplified by modern dictators. A dictator rises to power on the crest of a wave of popular enthusiasm, and his ability to maintain himself in that position depends upon the indefinite continuance of the nation's support. He cannot remain stationary like a constitutional sovereign, for he has to pursue a revolutionary policy. The maintenance of his prestige necessitates a periodical renewal of spectacular successes. The danger is that when all peaceful possibilities have been exhausted the temptation—nay, the urge—to seek refuge in foreign adventure to escape from internal trouble may become well-nigh irresistible. Stern discipline and unquestioned subordination to the will of a dictator keeps a nation in a constant state of high tension. He can on the slightest provocation fan the popular mind into flame. When that occurs, no matter how wild the adventure, the nation will follow its leader blindly, as we have learned to our cost. The concentration of power in the hands of a single individual may make of a totalitarian state a formidable engine of war, but also a nation of slaves. Democracies, though by no means entirely free from the danger of developing bellicose tendencies, are less likely to go to war than autocracies except in defence of their vital interests, in support of a moral cause, or against unprovoked attack. But if autocracies are aggressive, democracies, with their party strife, their paralysing divided counsels, their lack of discipline and their military unpreparedness, invite aggression.

The lust for domination may be strong in dictators and military castes, but the average individual in all countries desires, above all, peace, and wants nothing better than to pursue his daily avocation unmolested. Nevertheless, through lack of clear perception and blind adhesion to political creeds or systems, he fosters policies which lead to war.

So long as nations believe that they can better their position either economically or politically by resorting to arms, so long will there always be war. Not until all nations become convinced that there is nothing to be gained by war and that victor and vanquished alike are equal sufferers, is there any likelihood that war will cease. Unfortunately, that conviction is only held by the *beati possidentes*. An enduring peace among

great nations can never rest securely on great disparity of wealth in natural resources. That unfortunately will always exist so long as sovereign rights stand in the way of a better distribution.

The causes of war, however, can never be permanently removed for they are ever reproducing themselves in new forms and combinations. We cannot abolish war; "Peace is at best a truce on the battlefield of Time."¹ The most we can do is by hard thinking and honest dealing, to space out the intervals between wars by an ever-watchful eye on political, social, and economic developments and the redress of injustices. It has even been questioned whether the complete abolition of war is desirable. War is nature's way of regulating the flow of human life. A permanent spell of universal and unbroken prosperity would probably bring in its train over-population, famine, and pestilence far worse than the ravages of war. "War," Sir Arthur Keith has said, "is Nature's pruning-hook."

Still, even the prolongation of the intervals of peace must be an objective dear to all humanity, but it can be effected only by striving to eliminate the causes of war. How did the peacemakers of 1919 acquit themselves of this—diplomacy's supreme task?

¹ *Germany v. England*, J. A. Cramb,

PART TWO

OUR OWN TIMES

CHAPTER V

THE PEACE SETTLEMENT . . .

"The contrast between the promises and expectations on the lips of the rulers of the world when they opened the war in 1914, and the results in which they have been overwhelmed, looks like the most savage irony in the history of civilization."

LORD MORLEY.

FROM our brief enquiry into the historical development of the forces which underlie international relations, two points have emerged: first, that diplomacy is no longer confined to purely political issues and that economic and social problems both at home and abroad are indissolubly bound up with foreign policy; secondly, that the conduct of foreign affairs has ceased to be the preserve of monarchs and oligarchies and has in democracies become subject to the scrutiny of a watchful, intelligent, and critical, though uninstructed, electorate which has become acutely aware of the repercussions of foreign policy upon its domestic life. We must now examine the effect of these changes on modern diplomacy, beginning with the Paris Peace Conference.

For the first time in the history of British diplomacy the full weight of the masses was brought to bear upon momentous decisions, fraught with incalculable consequences, such as no statesman of any age had ever before been called upon to take. The task which confronted the peacemakers in 1919 was stupendous. The collapse of the Central Powers and of Russia had left the political arena strewn with the debris of fallen thrones. Millions awaited liberation from the foreign yoke. Eight new states had to be created, and the frontiers of fourteen had to be determined. Five separate treaties—with Germany, Austria, Hungary, Turkey, and Bulgaria—had to be concluded with the utmost despatch. The economy of the defeated nations was in dissolution. A large part of Europe lay in ruins. The spiritual and material damage could be repaired only by an enlightened policy of reconstruction—economic, social, and financial as well as political.

What was the policy of the Allies to be? Earlier settlements provided no precedent. The Congress of Vienna was concerned with restoration, not reconstruction, and with making the world safe for autocracy. British policy after the Napoleonic wars was mainly concerned with maintaining the balance of power, but in 1919 this classic principle had fallen into complete discredit among all the Great Powers, except France. Mr. Asquith and President Wilson had both openly condemned it. It was the principle of collective security and self-determination which was now to pre-occupy the conference. "The sword will not be sheathed," Mr. Asquith said, "until the rights of the smaller nationalities of

Europe are placed on an unassailable foundation." The Allies in their statement of war aims to President Wilson (January 1917) said that these implied

"the reorganization of Europe, guaranteed by a stable régime and based at once on respect for nationalities and on the right of full security and liberty of economic development possessed by all peoples small and great."

Mr. Lloyd George declared that

"the consent of the governed must be the basis of any territorial settlement. . . . This human consideration should have precedence over considerations of strategy or economics or communications which can usually be adjusted by other means."

When Mr. Hughes, the Australian Prime Minister, asserted that the chief cause of modern wars was economic, Mr. Lloyd George contended that it was racial. This view was shared by President Wilson. Thus self-determination became a cardinal principle which was to override all other considerations.

In January 1917 President Wilson announced his view of the true foundations of a durable peace.

"The questions upon which the whole future peace and policy of the world depends is this: is the present war a struggle for a just and secure peace or only for a new balance of power? Only a tranquil Europe can be a stable Europe. There must be, not a balance of power, but a community of power; not organized rivalries but an organized common peace. First of all it must be a peace without victory. Victory would mean peace forced upon the loser, a victor's terms imposed upon the vanquished. It would be accepted in humiliation, under duress, as intolerable sacrifice, and would leave a sting, a resentment, a bitter memory upon which terms of peace would rest, not permanently, but only as upon quicksands."

On January 8th, 1918, in his address to Congress, he proclaimed his famous Fourteen Points, announcing: "We have no jealousy of German greatness, and there is nothing in this programme which impairs it. We do not wish to injure her or block in any way her legitimate influence and power." In February he added: "There shall be no annexations, no contributions, no punitive damages."

The Fourteen Points met with the approval of public opinion in this country. They were accepted by all the Allied Governments, but with the important reservation that "compensation will be made by Germany for all damage done to the civilian populations of the Allies and their property by the aggression of Germany by land, by sea, and from the air". These conditions were accepted by Germany unreservedly on October 5th, 1918, before the Armistice, as the basis for peace negotiations. The Germans have always claimed that it was on the strength of the solemn undertaking to apply the Wilsonian Points to the Peace Treaty

that they agreed to lay down their arms—though in fact they had little choice.

From the first, the Conference was dominated by the so-called Big Four—in reality by the three outstanding figures of M. Clemenceau, Mr. Lloyd George, and President Wilson. It would be difficult to find three men more different in character, temperament, and outlook. Although they were wholly sincere in the pursuit of a common aim, the prevention of war in the future, the methods by which they severally approached the problem were often poles apart.

The clash of personalities was as unfortunate as by the choice of Paris for the venue of the Conference. The atmosphere of Paris—heavily charged with the passions of war-maddened peoples clamouring for revenge and unconditional surrender, despite the terms which had been offered to and accepted by Germany—was hardly conducive to calm, judicial thinking.

President Wilson represented a public opinion which was already out of date. That fact, together with his own personality—able, honest, well-meaning but vague, irresolute, ignorant, and inexperienced in the ways of diplomacy—unfitted him to cope with the Allies who were not unnaturally bent on the spoils of war. He conceded one point after another in the confident hope that the League of Nations would eventually set all to rights. Was it not Sidney Smith who said that a Bengal tiger with its tail in the air was not half so dangerous as an ignorant person with good intentions?

Clemenceau, far from sharing the Wilsonian views, aimed at the reduction of Germany to a condition of permanent political and economic subjection. Whether or not he personally realized that there can be no greater fault of statesmanship than to impose a vindictive peace upon a fallen yet potentially powerful enemy, he was powerless to resist the pressure of French public opinion, and, moreover, he was haunted by the fear of a resurgent Germany with a population which bade fair to double that of France within a generation. After all their sufferings, the French very naturally cared for nothing but security.

Mr. Lloyd George, less obsessed by fear than his French colleague, had a clearer vision, and stood midway between the impractical idealism of Wilson and the uncompromising realism of Clemenceau. But he was the first British delegate at an important international conference to have to negotiate in the full limelight of democratic publicity; and that made his position exceedingly difficult. Until November 11th the British public had seemed to welcome the Fourteen Points, and on the morrow of the Armistice Mr. Lloyd George had declared that Great Britain would not annex an inch of German territory. "No settlement," he said, "which contravenes the principles of eternal justice will be a permanent one . . . we must not allow any spirit of greed, any grasping desire, to override the fundamental principle of righteousness."

Then came the change in the public mood.

"During the first week after the armistice," wrote Professor Zimmern, "the moral thermometer of the British people went down some fifty degrees. During the subsequent month, right up to the polling day in the middle of December, it continued to fall. The self-dedication, the unselfish idealism, the sense of national and individual

responsibility for the making of a better world, painfully achieved and sustained throughout more than four years of tension, were dissipated in a riot of electioneering, thrown as chaff to the winds of demagogic clap-trap and invective.”¹

The Coalition Government had gone to the country for its mandate for the Peace Conference; it was the first general election under the Representation of the Peoples Act of 1918, which, by adding 4,000,000 men and 9,000,000 women to the register, had more than doubled the electorate. “Squeeze Germany till the Pips Squeak” and “Hang the Kaiser” were the slogans which carried the people. The new House of Commons supporting the Coalition Government was thirsting for revenge. This attitude was soon to be reflected in the Peace negotiations.

Handicapped by his own election promises and forced to act against his better judgment, Mr. Lloyd George nevertheless performed the thankless task of acting as a brake upon the inflexible determination of Clemenceau and upon the chimerical vagaries of Wilson.

“It is not difficult,” so he wrote in his memorandum of March 25th, 1919, “to patch up a peace that may last until the generation which experienced the horrors of war have passed away. . . . What is difficult is to draw up a peace that will not provoke a fresh struggle when those who have had practical experience of what war means have passed away. Injustice, arrogance displayed in the hour of triumph will never be forgotten or forgiven—we ought to endeavour to draw up a peace settlement as if we were impartial arbiters forgetful of the passions of war.”

Mr. Lloyd George strove hard for moderation and forbearance, but he had queered his pitch by his election promises. He received a stern reminder from 370 of his supporters in Parliament that he was expected to abide by them. He was not his own master, and so he was unable to save Europe from either the intransigence of Clemenceau or the idealistic obsessions of Wilson. Never was diplomacy more fettered.

At the opening ceremony of the Peace Conference M. Poincaré said: “You will seek nothing but Justice—Justice that has no favourites, Justice in territorial problems, Justice in financial problems, Justice in economic problems.” But the Conference, unable to free itself from the popular clamour of the British and French democracies, failed to bring to its deliberations that dispassionate objectivity which alone can ensure the fulfilment of such pious sentiments. Condign punishment became, in fact if not in word, the guiding principle upon which the terms of peace were to be framed.

Of all the Treaties comprising the Peace settlement, those of Versailles and Trianon are the most important. They are of especial interest for the purpose of this book for two reasons, namely the pernicious effect of the pressure of public opinion on the negotiations and the neglect of the cardinal needs of the times, which in 1919 were international social and economic security, rather than the revision of political frontiers. We will therefore confine ourselves to these two treaties.

¹ *Europe in Convalescence*, A. E. Zimmern.

TREATY OF VERSAILLES

The Territorial Settlement

The retrocession of Alsace-Lorraine to France was for obvious reasons a foregone conclusion. It was provided for in President Wilson's 8th Point. Though it meant drawing a political frontier through a region which since 1871 had become Germany's greatest industrial area, retention by Germany was unthinkable. Indeed, Germany had of her free will offered to surrender these provinces.

It is when we turn to Germany's Eastern frontiers that our misgivings begin. President Wilson's 13th Point provided for an independent Poland consisting of territories inhabited by indisputably Polish populations with free access to the sea. This involved the restoration of the Polish "Corridor" which had been abolished by Frederick the Great.

The intermingling of geographical, racial, economic, and political factors in the Corridor makes it hard to determine which side had the better claim. For centuries this area had been the bone of contention between Slav and Teuton. The peasants were Slavs, the landlords were Teutons. By the Treaty of Thorn in 1772 it passed to Frederick the Great and remained Prussian till 1919. The Poles based their claim on three centuries of uninterrupted possession and the Germans on that of the last 150 years. On the basis of historical claims the Polish claim was the stronger. But historical claims are notoriously misleading. We might claim Calais on such a basis. When lapse of time has radically altered political and economic conditions the only fair and true test is the actual state of affairs, and the use to which the territory has been put by the last possessing Power. In such cases arguments based on historical facts lose much of their force. The real criterion should have been: Was the Corridor at the time of the Versailles Treaty so bound up with the rest of Germany as to form, politically and economically, an integral part of a living organism which could not be disrupted without doing violence to vital national interests? The racial predominance between the German and Polish population varied according to locality. On the whole, the area ceded to Poland was more Polish than German, yet economically the area had become an integral part of the German system and geographically it joined East and West Prussia. Anyway, the Peacemakers were bound to fulfil the promises made to Poland whether these were conducive to peace or not. As regards Posen, Germany had offered to surrender that province to Poland, the bulk of the population being unquestionably Polish.

The most difficult case was that of Danzig. The population of this old Hanseatic town was, in 1919, 97 per cent German. Though economically almost exclusively dependent upon Poland, the Danzigers were entirely opposed to political separation from the Reich. Poland was insistent upon its complete transfer to Polish sovereignty, and though at first opposed to this proposal, Wilson gradually gave way under combined French and Polish pressure. It was Mr. Lloyd George who declined to hand over Danzig to the Poles, but he was finally induced to

offer a compromise making Danzig an independent State under the supervision of the League of Nations.

The severance of East Prussia from the rest of Germany had existed in the 18th century, but in the 20th it created a geographical situation both galling and intolerable in the eyes of every patriotic German, just as a foreign Corridor across England from Liverpool to Hull would rouse the indignation of every Briton. Where rival pretensions were so evenly balanced true statesmanship would have looked to the interests of peace rather than to the satisfaction of claims which, however valid, were certain to endanger the peace of Europe. Poland's outlets could have been assured, as Mr. Lloyd George had himself adumbrated, by other means, such as transit facilities under the guarantee of the League of Nations.

The division of Upper and Lower Silesia under the auspices of the League of Nations was regarded by Germany as one of the greatest wrongs done to her. Those provinces had never belonged to Poland. From time immemorial they had been inhabited by Germans, and their pre-war frontiers dated back to 1136. With the exception of the Franco-Spanish frontier they were the oldest in Europe. Through the discovery of iron and coal in close proximity to one another this region had become the second greatest industrial area in Germany. It was German enterprise, capital, and efficiency which had produced this result, and yet, when the German Delegation protested against the falsity of the premises upon which the region was to be handed over to Poland rested, they received this reply:

"It may be said that Poland has no legal claim to the cession of Upper Silesia, but it is emphatically not true that she has no claim to Upper Silesia which could not be supported on the principles of President Wilson. In the district to be ceded the majority of the population is indisputably Polish."

Mr. Lloyd George, however, eventually secured a plebiscite. In spite of it being gerrymandered the Germans polled 60 per cent, a fact difficult to reconcile with the Allied assertion. Notwithstanding the majority in favour of Germany, the League finally decided to hand over to Poland five-sixths of the industrial areas with their mineral wealth, leaving Germany with the agricultural districts. Some 75 per cent of the mines and of the iron and steel works were given over to Poland. The new frontiers disrupted the entire economic unity of the region and threw the life of the people into confusion. Much-frequented railways suddenly became disused. Towns and properties were dissected, leaving one part in Poland and the other in Germany.

The Memel-land which was ceded to Lithuania, though less important than Upper Silesia, is a region which had belonged to Prussia since 1466. Though only a small majority of the 150,000 inhabitants of the district speak German, a very large part is of German descent and the whole urban population of Memel is unquestionably German.

The case of Eupen and Malmedy, though of minor importance, has been the subject of much criticism. This small patch of territory bordering on the Belgian frontier had a population of 60,000, of whom 50,000 were

Germans, the remaining 10,000 being Walloons. In the towns of Eupen and Malmédy the population was 99 per cent and 70 per cent respectively German. This territory had formed part of the old German Empire before Belgium existed. Barring a few years of Napoleonic rule, it had always been German. On the ground of racial affinity, national leanings, or culture, no possible claim could be advanced to justify incorporation with Belgium. The Belgian Government at first pressed for annexation without a plebiscite. The Paris Conference insisted upon a plebiscite, and in their letter of June 16th, 1919, to the German Delegation the Allied Powers pledged themselves that "the transfer will only take place as a result of a decision of the inhabitants themselves taken under conditions which will secure complete freedom to vote". Nevertheless, under the "open list" system few dared to vote. The Treaty of Versailles had merely laid down¹ that the result would be "communicated by the Belgian Government to the League of Nations". Only 271 signed the list; the League was perfectly well aware of the facts but raised no objection. The figures were accepted by them as the expression of the wishes of a population of 60,000 souls!² Plebiscites were "refused under a species of not very creditable camouflage in the case of Eupen and Malmédy", wrote the principal historian of the Peace Conference. The Belgian Government, in 1926, offered to return Eupen and Malmédy to Germany for a monetary consideration, but France vetoed the proposal on military grounds.

As regards the German Colonies, the Treaty laid down in accordance with the 5th Wilson Point the following guiding principle: "A free, open-minded and absolutely impartial adjustment of all Colonial claims, based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the population concerned must have equal weight with the equitable claims of the Governments whose title is to be determined."

Bismarck always held that Germany's future depended upon her position in Europe and not on overseas expansion. Though he gave protection to the early pioneers of German colonization such as Nachtigal and Peters, he was averse to the assumption of state responsibility for colonial administration. Still he was ready, for the sake of trade interests, to create chartered companies with virtually full sovereign rights. The first twenty years of German colonial enterprise were characterized by a series of atrocities and scandals associated with the names of Karl Peters, Leist, Wehlau, von Horn, von Puttkamer and Trotha; all, excepting the last, were convicted of cruelty and mal-administration, and were dismissed. Between 1904 and 1906 these outrages became the subject of violent attacks against the government in the Reichstag, and public opinion in Germany became loud in its condemnation of German colonial methods. It was realized that these were largely due to the employment of the wrong type of official. The creation in 1906 of an independent Colonial Office brought about a notable change for the better. Under the direction of Herr Dernburg and his successors, Doctors Lindequist and Solf, all able and honest men, the interests of the natives began

¹ Articles 34 and 35.

² *Germany Under the Treaties*, W. H. Dawson.

to receive due consideration. By 1913 4000 missionary schools and 100 government schools with 186,000 pupils had come into existence in the German colonies,¹ while in the medical and agricultural spheres German scientists such as Dr. Robert Koch, who found the cure for sleeping sickness, contributed much towards native welfare. It is no exaggeration to say that by 1914 the level which had been reached in medical services, in sanitation and education, and in agricultural and industrial training had nowhere been surpassed, if equalled. Many African discoveries are due to German explorers and scientists who acquired an international reputation.²

There are many testimonies to the great improvement of German colonial rule after 1906. Even Cecil Rhodes used to say "that Germany had done in her colonies in twenty years what it had taken England a hundred years to do".³

The late Sir Harry Johnston, one of our greatest experts on Africa, put the case very clearly when he wrote in 1913:

"'You may well be content,' is the German cry addressed to Great Britain, 'for you have occupied or earmarked such an enormous proportion of the earth's surface that you do not need to talk of extension for three centuries to come. We may have sufficient elbow-room for the next twenty years, but that is not sufficient. Instinctively we must fight for the future, or our memories will be reproached by our children's children.' This may be called 'sentimental nonsense' because it is uttered by Germans and not by Englishmen. But we are the last of the Powers who should laugh at such a yearning.

"The German people as a whole are resolved upon colonial expansion for two reasons. The first is that their country is far from producing naturally the bulk of the raw products required for their industries, and they desire to assure to themselves for the future a special control over, or access to, undeveloped regions in Asia, Africa, and America, where these raw products can be obtained or where they can be cultivated; secondly they require to be certain, in these days of the growth of Empires, that a sufficient portion of the earth's habitable area will remain free and open for the sale of German manufactured goods or industrial products."⁴

All German colonies were in due course conquered. As the Germans had never concealed their intention of raising black armies and of using captured colonies as military, naval, and air bases, the Allied Powers unanimously agreed that the German colonies could not be restored. All the Dominions pressed for outright annexation. Only with the greatest difficulty could they be brought to accept the Mandatory system.

The Mandatory system Germany regards as a device invented by the Allies in order to evade the principle of no annexations. It was unfortunate that instead of confining themselves to the true reasons for refusing to return the colonies, the Allied Governments laid the emphasis on

¹ *Germany's Colonial Demands*, A. L. C. Bullock.

² *Germany under the Treaties*, W. H. Dawson. ³ *Op. cit.* ⁴ *Op. cit.*

German colonial mis-rule as the main justification for their action. Ignoring the very genuine effort which Germany had made to improve her colonial administration, the Allied Governments, in their reply to the protests of the German Delegation, said:

"Germany's dereliction in the sphere of colonial civilization has been revealed too completely to admit of the Allied and Associated Powers consenting to a second experiment and of their assuming the responsibility of again abandoning thirteen or fourteen millions of natives to a fate from which the War has delivered them."

Then followed the real reason, apparently as a secondary consideration:

"Moreover, the Allied and Associated Powers feel themselves compelled to safeguard their own security and the peace of the world against a military imperialism which seeks to establish bases whence it could pursue a policy of interference and intimidation against the other Powers."

His Majesty's Government had published in July 1916 a paper giving a lurid picture of German Colonial atrocities upon which the above reply was presumably based. Brutal as these undoubtedly were, they were mainly concerned with cases in which the natives were suspected of helping or sympathising with the Allies during the War and had nothing to do with German Colonial administration before the War. But the wording of the above communication to the German Delegation was an utter condemnation of the German Colonial system. It is scarcely conceivable that if the British Government had been so scandalized at the thought of German mis-rule over natives they would have, shortly before the outbreak of the First Great War, entered into negotiations with Germany which would have resulted in further territories being transferred to German rule. German Colonial administration had, of course, by no means been beyond reproach but what Power has a perfectly clean Colonial record? The Germans resented these aspersions, seeing that the alleged reasons for the confiscation of their colonies had long since ceased to have any validity.

Though the Germans attached some value to the potential possibilities of their colonies, the colonial question was mainly one of national prestige. The Allied accusations the Germans regarded as unjust, ungenerous and humiliating. That is why the colonial guilt accusation never ceased to rankle.

To have returned the colonies under a mandatory system might have done something to lessen the danger of another war while the exclusion of Germany from the rank of a colonial power was certain to increase it. For her the colonies had a special political significance since they belonged to the Reich and symbolized national unity. Still, in accordance with the generally recognized lot of the vanquished, the Germans had no ground for complaint. They had embarked upon a war of wanton aggression and had lost. The real as distinct from the ostensible reason for depriving Germany of her colonies was ample justification, without raking up all the colonial misdeeds of the past. The most

Germany could legitimately claim was that the value of the colonies should have been taken into account in assessing Reparations.

It is necessary to point all this out, not for the sake of gratifying the Nazis, but to show that Germany was once a country very different from that which we know today; but above all because it is most important, in the coming Peace Settlement, to avoid repeating the folly of providing the Germans with legitimate grievances out of which they can make political capital at home and organize sympathy abroad and thus seek to undermine the solidarity of the United Nations. German crimes are patent enough and need no fictitious additions which can only serve to poison the political atmosphere unnecessarily and help to retard reconciliation and co-operation. Every German should be made to feel that the punishment fits and does not exceed the crime.

But whatever Germany's colonial record may have been in the past, the bestial ferocity of the Hitler regime in the occupied countries during the Second Great War stamps her as completely unfit in her present temper to rule over any peoples, whether civilized or not.

The Financial Settlement

As regards the financial settlement, as far as the original intention is concerned, it was an attempt to exact the impossible. Before the Armistice Germany was told that there would be no war indemnities, but only reparations. Since, however, the Allied reparation claims were at first of an unspecified amount and subsequently fixed at a figure which, according to Mr. (now Lord) Keynes, was many times more than a fair estimate of the damage, the distinction between war indemnities and reparations had little meaning in the eyes of the Germans, who once again accused the Allied Powers of bad faith. As Germany was to be deprived of her chief sources of wealth in consequence of the loss of Lorraine and Upper Silesia, the burden was to be all the heavier.

The Allied Powers, very properly, decided to press reparations to the limit of Germany's capacity to pay. But opinions differed widely on the extent of that capacity. Mr. Lloyd George in his book *The Truth about Reparations and War-Debts* says that "the French claims were at the outset of a most extravagant character". M. Loucheur estimated the cost of reconstruction of the devastated region, roughly four per cent of the total area of France, at £3,000,000,000, though the entire house property of France had been estimated at only £2,380,000,000. M. Klotz went even further and gave as his figure £5,360,000,000! On the British side the most fantastic estimates came from the financial experts themselves such as Lord Cunliffe, Lord Sumner, Mr. W. A. S. Hewins, and Sir J. E. Foster, Canadian Minister of Finance. A committee set up by Mr. Lloyd George estimated the total cost of the war at £24,000,000,000, of which £7,000,000,000 represented British expenditure. It recommended that Germany should pay an annuity of £1,200,000,000—or £40,000,000,000 within a generation. France urged that Germany could pay £30,000,000,000. The American official opinion was that Germany could pay £5,000,000,000—to £10,000,000,000—within two years.¹

¹ *The Truth about the Treaties*, D. Lloyd George.

Mr. Lloyd George, Mr. Bonar Law, and M. Clemenceau had no illusions and felt convinced from the first that only a very small fraction of even the lowest estimate would be forthcoming. Mr. Keynes and Mr. Lloyd George were in favour of a lump sum fixed at the moderate figure of £2,000,000,000 to settle the matter once and for all. But public opinion both in Great Britain and France favoured the squeeze-until-the-pips-squeak policy. The Reparations Commission set up under the terms of the Treaty was dominated by France, the principal creditor, whose chief aim was to keep Germany in financial bondage. This attitude was greatly resented by the Germans, so that from the first they were determined to evade their obligations by every means in their power. The Reparations Commission assessed the total amount at £6,600,000,000 and notified the German Government accordingly on May 1st, 1921. Germany's default in the delivery of coal and coke, and her deliberate flouting of the disarmament terms, brought about the French and Belgian occupation of the Ruhr in January 1923. Germany's financial collapse, purposely engineered by the Germans themselves, followed.

This brought about a new reparations scheme. The Dawes Plan of 1924, stipulated for no more than 2,000-2,500 millions from Germany, which was what the British Treasury had from the first regarded as a reasonable figure.¹ It provided for annual payments of £50,000,000 in the first year, rising to £150,000,000 in the fifth and onwards until 1988.² When the Germans complained that even this was too onerous, the Young Plan was substituted in 1929 providing for annual payments of £30,000,000 increasing to £60,000,000 annually over a period of fifty-nine years, and payable in cash and not in kind. Though this reduced the figure from the original £6,600,000,000 to £1,850,000,000, it still roused such indignation in Germany that it contributed powerfully to the eventual triumph of Nazism. As a result of the great economic depression which nearly ruined all Europe, the Allied and Associated Powers were at the Lausanne Conference in the end compelled to accept three milliard goldmarks (£150,000,000) as final payment, thus virtually wiping out reparations altogether. As none of the contracting parties ratified the Lausanne Agreement, it became a dead letter and no claim was ever made against Germany even for this small sum. "Reparations simply faded out."³ Germany thus successfully wriggled out of obligations which subsequent events have shown that she was, at least in part, well able to discharge. She had therefore in the end no ground for complaint whatever. But the irritation caused by the fact that the reparations question was such a long drawn-out affair produced much bad blood.

The Reparations Commission estimated that the total payment made by Germany, including deliveries in kind, amounted to £1,000,000,000—of which only £253,000,000 was in cash. Since, however, Germany discharged this political indebtedness by increasing her commercial indebtedness, i.e. foreign loans upon which she defaulted, she, in fact, paid nothing. But that was due not to the generosity of the Allies but to German fraud and trickery. To fix reparations at an astronomical figure was in the eyes of the Germans a clear indication of a vindictive

¹ *The Aftermath*, the Right Hon. Winston S. Churchill, C.H., M.P.

² *The Treaty of Versailles: Was it Just?*, T. E. Jessop.

³ *Appeasement Before, During and After the War*, Paul Einzig.

spirit, justifying evasion by every means which German ingenuity could devise. Had there been less talk of squeezing-until-the-pips-squeaked, and had the French not made their intention of keeping Germany indefinitely in subjection so unmistakably obvious, there would have been less inducement to seek evasion, though knowing the Germans as we do, there can be little doubt that they would have done so all the same. As it was, profound distrust dictated policy on both sides, with the result that "the whole crazy structure of reparations and Allied debts, the existence of which had impeded recovery, collapsed".¹

In principle the justice of reparations to the full extent of the damage done is incontestable. What matters, however, is the practicability of giving effect to it under modern conditions without causing dangerous political and economic repercussions. The destructiveness of modern warfare is so great that no sum sufficient to cover reparations, let alone indemnities, can be transferred from a defeated to a victorious nation in cash—or indeed in commodities—without dislocating the creditor's economy and inflicting as much injury on the receiving as on the paying side. Therefore, only a small fraction can be exacted, for the higher the figure and the longer the time allowed for discharging the debt, the greater the incentive to evasion and the greater the certainty of prolonging political friction. No matter what its deserts, a Great Power will never submit indefinitely to financial servitude. Reparations or indemnities on a modern scale will not be forthcoming except possibly, though by no means certainly, under some form of physical compulsion. Unless reparations or indemnities can be cleared off within a reasonably short space of time, they become a constant irritant leading from one dangerous situation to another. The game is not worth the candle. Moreover,

"the ill-conceived method of reparations was one of the main factors which led to the accumulation of a huge floating international indebtedness, the existence of which increased the vulnerability of the international financial structure. When as a result of the Wall Street slump and the subsequent economic depression an international financial crisis developed, the high degree of its intensity was largely the consequence of the system of reparations."²

The effect of the reparations policy was largely predictable from the first, if not as a matter of mathematical accuracy, at least of tolerable certainty. Economists might differ on figures, public opinion in the democracies might indulge in wishful thinking, but diplomats could have no illusions as to the impracticability of its fulfilment. This is made quite clear by Mr. Lloyd George's habitual reply to the criticisms of the financial clauses of the Versailles Treaty made at the time. He would say:

"It is too soon to expect the people who have suffered so much to regain their sanity. What does it matter what is written in the Treaty about German payments? If it cannot be carried out it will fall to the ground of its own weight. We have to give satisfaction to the will of

¹ *Studies in Diplomacy and Statecraft*, G. P. Gooch.

² *Appeasement Before, During and After the War*, Paul Einzig.

the multitude who have endured such frightful injuries. We will, however, insert in the Treaty clauses which provide for the current review of these provisions after a few years have passed. It is no good fretting about it now; we must let them all calm down."

Once again the will of the people fettered the wisdom of statesmen.

DISARMAMENT

We must now turn to the disarmament problem. In accordance with Wilson's Point IV, Part V of the Treaty of Versailles lays down in the preamble:

"In order to render possible the initiation of a general limitation of the armaments of all nations, Germany undertakes strictly to observe the military, naval and air clauses which follow." The Covenant pledges its members to the "reduction of armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations".

Then followed this explanation:

"They, the Allied and Associated Powers, recognize that the acceptance by Germany of the terms laid down for her own disarmament will facilitate and hasten the accomplishment of a general reduction of armaments; and they intend to open negotiations immediately with a view to the eventual adoption of a scheme of such general reduction. It goes without saying that the realization of this programme will depend in large part on the satisfactory carrying out by Germany of her own engagements."

Clemenceau wrote to Brockdorff-Rantzaу, head of the German Delegation, on June 16th, 1919:

"The Allied and Associated Powers wish to make it quite clear that their requirements in regard to German armaments were not made solely with the object of rendering it impossible for Germany to resume her policy of military aggression. They are also the first steps towards that general reduction and limitation of armaments which they seek to bring about as one of the most fruitful preventives of war and which it will be one of the first duties of the League of Nations to promote."

These words are clear enough. They were a unilateral Declaration by the Allies and conferred no legal rights on Germany. She, nevertheless, based her claim to equality of rights upon it, i.e. either the Allied Powers should disarm to Germany's level, or Germany should be allowed to rearm to their level.

This, of course, could only be settled by a Disarmament Conference. Unfortunately the Disarmament Conference was too long delayed, and

¹ *The Aftermath*, the Rt. Hon. Winston Churchill, C.H., M.P.

in the meantime evidence was accumulating that the Germans were engaged in clandestine rearmament. It had, in fact, started almost immediately after the Peace, though rearmament in real earnest only began in 1936. It is no wonder, therefore, that France insisted upon her claims to security being met first before the question of parity could be discussed. Thus began the wrangling over security and parity which grew ever more intense. In such an atmosphere the Disarmament Conference had no chance of success. That was exactly what Hitler wanted, an excuse to withdraw from the Disarmament Conference and the League in order to pursue his nefarious purposes without molestation.

So impressed was General Smuts with the trouble that the Versailles Treaty was laying up for the future, that he urged Mr. Lloyd George very earnestly to leave Upper Silesia and all real German territory on the Eastern Front to Germany excepting Danzig, which he recommended should be left under the suzerainty of Germany with an administration under the League of Nations.

In a letter to President Wilson, dated May 30th, 1920, he expressed his misgivings on the question whether the Treaty was in harmony with the Fourteen Points or the other principles enunciated by the latter in 1918. It ran:

"There will be a terrible disillusion if the peoples come to think that we are not concluding a Wilson peace, that we are not keeping our promises to the world or our faith with the public. But if in doing so we appear also to break the formal agreement deliberately entered into (as I think we do) we shall be overwhelmed with the gravest discredit and the peace may well become an even greater disaster to the world than the war."

The Germans have always protested that the Versailles Treaty did not conform to the terms of the Fourteen Points and that it was a dictated peace. Be that as it may, there can be no possible justification for Hitler's unleashing the Second Great War. The Treaty undoubtedly needed revision in the interests of peace, but with patience and goodwill that could, in the fulness of time, have been achieved without resorting to arms. Indeed, with the exception of the territorial settlement most of Germany's grievances had already disappeared before 1939. But the glory of conquest made a stronger appeal to Hitler's personal megalomania than the less spectacular effect of peaceful solutions. He, therefore, wilfully and shamelessly, distorted the facts to convince the Germans that they had been duped and tricked. He was not prepared to wait. He was determined to force the pace not merely for the redress of grievances, but in order to establish a German world hegemony.

The Paris Conference showed that if democracy could win the war it could also lose the peace. The motives which lay behind the policy of the Big Four were characteristic of the peoples whom they represented. Wilson's idealism stood for the aloofness of America; Clemenceau's vindictiveness for the nervousness of France; Orlando's narrowness for the predatory instincts of Italy; Lloyd George's middle course for the British spirit of compromise. Without the necessary machinery at their

disposal none of them could possess the wide knowledge or synthetic vision necessary to correlate the political, economic, and social elements into singleness of purpose. Had they possessed it, would their electorates have allowed them to translate it into practice? In 1919 democracy certainly helped to sow the wind; twenty years later it was to reap the whirlwind. All these well-meaning efforts of the peacemakers have only been equalled by the calamity of the result.

TREATY OF TRIANON

The Succession States

The Treaty of Trianon dealt principally with the distribution of the territories of the old ramshackle Austro-Hungarian Empire. These comprised some 240,000 square miles, an area larger than Germany, with a population of roughly 50,000,000 souls. The old Empire, though composed of the most heterogeneous racial elements, was yet a well-balanced economic unit. Both political and economic considerations required that this economic unity should not be destroyed, even though the component parts might have to be granted political autonomy. Indeed, it was no longer possible to prevent the dismemberment of the old Austro-Hungarian monarchy, for it had already disrupted itself and nothing could put Humpty Dumpty together again. The Treaty of Trianon divided up the Empire between Austria and the succession states but failed to insist upon a customs union as a bulwark against German political aspirations.

The weakness of Austria and the ethnical incompatibilities of Czechoslovakia became danger-spots in Central Europe and eventually the starting-point for another European conflagration. In the case of Hungary, some 450,000 Magyars out of a total of 10,000,000 were, for strategic reasons, separated from their brethren and incorporated in Czechoslovakia in defiance of the principle of self-determination.

Czechoslovakia was an artificial state. It lacked the ethnical cohesion, without which there could be no assurance of permanency. The total population was 15,000,000 and the Czechs numbered less than one-half. The most disruptive element was the existence of 3,500,000 Sudeten Germans adjoining the German Frontier. The Sudeten Germans had formed part of the old Austro-Hungarian Empire. This German minority from the first had resented separation from Austria and had never really submitted to Czech rule. Friction between Germans and Czechs grew. When Germany swallowed Austria the incorporation of the Sudeten Germans in the Reich became a foregone conclusion.

Czechoslovakia, in her anxiety to keep German and Magyar irredentism in check, formed the Little Entente to oppose and resist treaty revision, and the growing power of Germany and Italy drove her to reinforce her position by pacts with Paris and Moscow. This encirclement policy, and the fact that Czechoslovakia stood across the path of German expansion in South-East Europe, ultimately led to her destruction in 1939, six months after the Munich Agreement. Neither Britain nor France, despite the latter's treaty obligations, was prepared to go to war to save her.

Italy

The price of Italian co-operation in the war far exceeded what might legitimately be called Italian Irredenta. Italy's participation was, however, so important that the Allies had to accept her terms. By the Treaty of London of April 26th, 1915, Italy was to obtain (1) South Tyrol, (2) the Austrian provinces of the Küstenland and Istria, (3) the Islands of the Adriatic with certain exceptions, (4) Northern Dalmatia, (5) Valona and its enclave, (6) an Italian Protectorate over Central Albania, (7) the Dodecanese Islands, (8) an equitable share in Adalia, (9) if Britain or France were to increase their possessions in Africa, Italy was to receive compensation, more particularly as regards the settlement of the frontiers of Eritrea, Somaliland, and Libya where they joined the adjacent British and French colonies. It is important to note that self-determination had not yet become a cardinal principle of policy when the Treaty of London was concluded.

When at the Peace Conference Italy claimed her pound of flesh—and incidentally a good bit more, in the shape of Fiume and Smyrna—she met with the fierce opposition of President Wilson. America was not bound by the Treaty of London, concluded prior to her entry into the war. Great Britain and France were of course bound to honour their signatures, but under the combined pressure of American, British, and French persuasions, Italy had finally to forego some of her claims, though in high dudgeon. As Italy received none of the German colonies, Great Britain ceded Jubaland to her, but France gave up nothing. This treatment, which Italy never forgot nor forgave, together with the later sanctions policy, helped to throw Mussolini into the arms of Hitler.

Considering the Herculean task which confronted the Conference, it would have been a miracle if blunders had not been committed. The great complexity of the problems and the difficulty of reconciling conflicting political, economic, religious, ethnical, and strategic considerations, and, above all, the urgency of an early peace, rendered an absolutely just settlement impossible. In some respects the Peace Settlement, especially the Treaty of Versailles, was harsh; this was realized at the outset, but hopes were entertained that time and the League would heal the wounds. The peacemakers were imbued with the best of intentions, and anyone who has studied the Treaties carefully must admit that they contained much that was exceedingly good. They liberated at least 40,000,000 souls from foreign domination and left no more than 4 or 5 per cent of Europe's population under a foreign yoke.

This book, however, is not concerned with the question whether the Peace Settlement was a just one or not, but solely whether or not it laid the foundations of a lasting peace. Recent events have answered this question. We will therefore single out only those points which have a bearing upon the main thesis of this book, namely the necessity for improved diplomatic machinery for devising ways and means for the prevention of war. There are certain conclusions to be drawn from the last peace from which we can learn something which may be useful in framing the next. They are that:

- (1) the territorial settlement, especially concerning Germany's Eastern frontiers, quite irrespective of rights and wrongs, contained the germs of another war from the first;
- (2) the loss to Germany of so large a part of her internal and colonial resources while at the same time leaving her economic structure with its enormous productive capacity (to be greatly increased later by ill-advised foreign loans) untouched, made Germany more than ever dependent on the outside world for supplies. In their anxiety to render Germany harmless by depriving her of the means of recovery, the Allies worsened the disequilibrium in the distribution of natural resources, thereby not removing but increasing one of the main causes of war. The increased restrictions on Germany's economic independence only served to intensify her determination to achieve the highest degree of self-sufficiency possible and to stimulate rather than repress her dangerous expansionist tendencies;
- (3) the principle of self-determination to safeguard the rights of small States was not a wrong aim but a wrong emphasis. However unassailable morally and theoretically, it ignored the trend of our times which is towards economic integration and not political subdivision. In that sense self-determination is retrograde, for it fosters nationalism which is the bane of modern civilization. In some cases its application proved to be wholly impracticable, since it often happens that in areas where economic unity is greatest, racial confusion is most pronounced. Self-determination is, therefore, no longer an altogether safe guide. Nevertheless, it must be admitted that it was precisely those areas where, for political or strategic reasons, self-determination had to be abandoned that became the starting points for another conflagration—Austria, the Sudetenland, Upper Silesia and Danzig;
- (4) the reparations fiasco was dictated by democratic popular clamour in opposition to the judgment of the negotiators and their experts. It became an unnecessary irritant and poisoned the political atmosphere from the first. The voice of the people sabotaged diplomacy;
- (5) the main cause for the failure of the Peace Settlement is to be found in the peacemakers' inability to realize that the preservation of peace depended more on the economic integration of Europe and international social security than on administering strict justice or upholding the sanctity of the political rights of small nations. In staking all on self-determination, they lost sight of the interdependence of nations. "Liberty of economic development possessed by all peoples, small and great", leads not to peace but to war. There could be no lasting peace based on a purely political settlement unless at the same time the economic and social foundations for international co-operation were truly laid.

It is perhaps not so much for what they did as for what they left undone that the Peace Treaties are to be criticized. But it may fairly be asked whether, even if the statesmen responsible for the Peace Settlement

had taken the right steps to further international economic co-operation, a Germany full of resentment at the punitive character of the Treaty, wedded to militarism, nationalism and revenge would have responded to any such efforts. The plain truth is that no dictated peace can ever be conducive to the mutual goodwill essential for such a purpose. Therefore the peace of 1919 could never have been more than a truce. It is only after true reconciliation has taken place that there can be any hope of real goodwill, without which the prospects of co-operation are slender. After the Second Great War we shall again be confronted with this perplexing problem in an even more aggravated form. Therefore, if the interests of peace are to be served, we should concentrate our attention on effecting reconciliation as speedily as possible and avoid all that might tend to exacerbate the situation. Adequate safeguards against revenge there must be; condign punishment for all found guilty of atrocities there must be; but the punitive aspect should not become the dominant consideration, else the foundations of peace will once again rest on quicksands. But reconciliation will depend more on German behaviour than on the forbearance of the United Nations.

Had the Peace Settlement of 1815 been based on self-determination many of the 19th-century struggles for liberty and unity might have been avoided. But in 1919 self-determination could no longer save the peace of Europe. Just as the Congress of Vienna did not realize that the key to peace in the 19th century was self-determination, so the Paris Peace Conference failed to see that in the 20th century interdependence was a safer guide than a belated recognition of the principle of self-determination.

The whole Peace Settlement was symptomatic of this failure of vision. The territorial settlement of the Eastern frontier was intended not merely to do justice to Poland but to cripple Germany economically. The figure originally fixed for Reparations had the same motive. The Germans left Paris seething with resentment at having been, as they thought, tricked into an ignominious peace, and determined to free themselves from the shackles of the Treaty. Two of the Allied Powers also left Paris in discontent; Italy, deeply offended at the non-fulfilment of the promises made to her under the Treaty of London and the scant consideration given to her delegates at the Conference, was ready to seize the first opportunity to avenge herself on the Allies and enlarge her overseas dominions. Japan, too, was dissatisfied. She felt the refusal to accept the principle of racial equality as a national insult. It was a grievance she had long nursed. She was now bent on redressing it at the first opportunity. But behind Japan's policy lay a wider aim—the elimination of the white man's political influence from the Far East and the substitution of her own.

CHAPTER VI

THE LEAGUE OF NATIONS

"Justice without force is impotent; force without justice is tyranny. Justice without force is a myth because there are always bad men; force without justice stands convicted of itself. We must therefore put together justice and force; and therefore so dispose things that whatsoever is just is mighty and whatsoever is mighty is just."

PASCAL.

MANY philosophers, from Sully and the Abbé St. Pierre to Jeremy Bentham, have put forward ideas resembling that of the League of Nations. Though most of these schemes were hopelessly impracticable, there was one vital point upon which they all agreed, namely that there could be no true League unless all the members were prepared to fight for its existence.

What the philosophers regarded as an indispensable condition, the practical statesmen recognized to be an insurmountable obstacle. Both recognized only too well that loyalty implies an element of exclusiveness which universality destroys, and that nations will fight for national interests but never in defence of an international society. For this reason none of the philosophers' schemes was ever put into practice. There can be no better vindication of the essential truth of this than the League's attitude in the Italo-Abyssinian crisis. No member was prepared to fight for the League. Not the least noteworthy is the fact that until 1919 all projects for an international institution had been condemned as impracticable by a consensus of opinion of the statesmen of all ages and of all countries.

The revolt against autocracy, held responsible for the First Great War, inspired President Wilson with the idea of making a fresh attempt, despite the teachings of history and the condemnation of past generations, to create an international body to govern the relations between nations on democratic principles. Its authority was not to supersede that of the national parliaments but it was to act in the wider interests of humanity. It was to stand for peace and world order and to be possessed of such influence that no nation would dare to challenge it.

In June 1917 Wilson formulated his ideas in a speech at Washington in which he said:

"It will be absolutely necessary as a guarantor of the permanence of the settlement, that a force be created so much greater than the force of any nation now engaged or any alliance hitherto formed or projected that no nation, no probable combination of nations could face or withstand it."

This condition was to be absent from the start. No sooner had President Wilson returned home than the American Senate refused to ratify the Treaties of Peace because they included the Covenant of the League involving incalculable commitments which might run counter to the traditional isolationist policy of the United States. The defection of the

United States proved fatal. It was to be followed in due course by the withdrawal of Japan, Germany, and Italy, by the expulsion of Russia and the collapse of France, finally leaving in the League only one of the Great Powers—Great Britain.

In his enthusiasm for his scheme the President overlooked—and so did his collaborators—another condition essential to success. When a court of justice gives its verdict, it does so in the knowledge that the police authorities will see to its execution. Both the judge and the policeman can carry out their duties only because 99 per cent of the population is law-abiding. If 50 per cent were in revolt against the judgment of the court, there would be riots and the whole machinery of justice would collapse. If the League could command the loyalty of 99 per cent of its members it could function, but if only 50 per cent are loyal, its authority must collapse, as indeed it did.

The reason why 99 per cent of the population within a state are law-abiding is because each individual knows that in return for his renunciation of the right to take private action, he is guaranteed the means of redress against injustice which is provided by the machinery of the law and the legislature. The League offers no such guarantee between nations for, although it claims to be the supreme judge, it is impotent to alter the *status quo*. If the League is to work smoothly it is a *sine qua non* that at least the Great Powers must be inspired by the same ideals and pursue the same policies.

This in turn implies two things: first, that all the Great Powers are on the same level of civilization and conform to the same standards of international morality. Secondly, that they possess their fair share of the good things of this world and are therefore ready to uphold the rights of others. And, above all, they must hold the firm conviction that war is unprofitable. In short, unless international relationships rest upon a foundation of equity and accepted moral principle the rule of law cannot be relied upon to function unless the League disposes of the physical means of enforcing obedience to its will.

But in point of fact, what is the actual position? The world is divided into three categories of nations, all pursuing different aims and representing different stages and types of civilization. First there are those Great Powers which either through successful wars or peaceful means have achieved their national unity and acquired enough territory to satisfy their national prestige and their economic needs. These are the "satisfied" nations, the so-called "Haves", and their policy is the maintenance of the *status quo*. The second category consists of those Great Powers which, having reached a high degree of industrial development and political power but having arrived too late in the scramble for territorial expansion, hanker after greater economic independence. These dissatisfied Powers yearn for a fairer distribution of the world's wealth. These are the great "Have Nots" and their policy is territorial and economic expansion. The third class consists of the small Powers which may be either "Have" or "Have Not". These affect to see in the League their best guarantee against wanton aggression by the big Powers, and they look to it for the redress of their grievances, whether their interests lie in the maintenance of the *status quo* or otherwise. There is thus a fundamental divergence of political aim and outlook among all the

Powers, great and small. And in addition to this conflict of interests, there are different standards of political morality.

Across this yawning gulf President Wilson tried to build his bridge. But instead of laying solid foundations, the architects of peace imposed treaties on the defeated nations, creating political conditions that sooner or later were bound to disrupt the League. Further, they incorporated the Covenant of the League in all the Peace Treaties, while the preamble in the Covenant set out specifically that it was the duty of the League to insist upon "a scrupulous respect for all the Treaty obligations". The League was thus crippled at birth. The moment for launching the scheme was not a happy one. The League would have stood a far better chance of success if it had not started when passions were at white heat but after they had cooled down. But President Wilson insisted that the arch should be constructed before the foundations were laid.

When the President, on February 14th, 1919, submitted to the Peace Conference in Paris the draft Covenant of the proposed League of Nations, he said:

"Through this instrument we are depending primarily and chiefly upon a great force and this is the moral force of the public opinion of the world . . . armed force is in the background and, if the moral force of the world will not suffice, the physical force shall. But that is the last resort because this is intended as a constitution of peace and not as a league of war."

Thus it is clear that the League was primarily to rest on moral force as the instrument of peace. What Wilson failed to see was that such pious hopes were incompatible with the foundation of permanent inequality among nations upon which the structure was to rest and which the Covenant was pledged to maintain.

The keystone in the arch of the Covenant is Article X. It runs: "The members of the League undertake to . . . preserve as against external aggression the territorial integrity and existing political independence of all members of the League." This conception of immutability in a rapidly changing world lies at the root of all the post-war trouble. If the *status quo* was to be maintained indefinitely, the League would have to be provided with means of coercion. Hence the famous Article XVI which, ostensibly, provides the League with a weapon in the shape of sanctions. But if sanctions are to be imposed, one must first be sure of their effectiveness. In the case of small Powers, economic sanctions may suffice, but when imposed upon a great and largely self-sufficient Power such as the British Empire, the United States of America or Russia, they are not likely to prove effective and would probably lead to war. The sanction system operates unevenly. Therefore, before applying sanctions, Members of the League must either be sure that they will be effective or be prepared to fight. If they are not prepared to do this, the whole system of sanctions and collective security is not merely meaningless but actually dangerous. Half measures are worse than futile, as the action of the League in the case of the Italo-Abyssinia War has clearly shown. British statesmen in the end naturally shrank from a world war in order to stop a minor war in Ethiopia. This was a clear recognition that

sanctions are more likely to lead to war than to peace. Thus Article X became a dead letter.

If the League was to build up its authority and influence on solid foundations, it was surely not by means of the inviolability of the Treaties but by the removal of the causes of war in order to pave the way for co-operation, the essential prerequisite for world solidarity. From the very start nothing could be clearer than that the discontented Powers would never obey the behests of the League, founded upon a dictated peace; nor would any of the Powers, satisfied or dissatisfied, be prepared to fight for anything but their own interests.

Conscious of this fatal flaw in the League's constitution, President Wilson strongly urged the inclusion of Article XIX:

"The Assembly may from time to time advise the reconsideration by Members of the League of treaties which have become inapplicable and the consideration of international conditions whose continuance might endanger the peace of the world."

This article might have been more clearly worded, but we know from the record of the discussions at Versailles what the President had in mind. He urged that it was unreasonable to expect the Peace Treaties to function properly at once and that therefore some provision should be made to enable them to be reconsidered in the light of future experience. In this, at least, the President showed foresight and wisdom. Only after strong opposition and great reluctance did the other Great Powers accept Article XIX, for the Peace Conference was determined that the League should be an instrument for maintaining the inviolability of the Treaties.

The consistent failure of the League to avail itself of the provision of Article XIX constituted in the eyes of the Revisionist Powers a denial of justice. Since the League had no power to impose a settlement upon disputants and could only act as mediator, and since no decision under Article XIX could be carried except by a unanimous vote of the Assembly, there could be no reliance on the law for the redress of grievances, which alone could justify the surrender of the right of private action. Article XIX was therefore a mockery.

From the first, the League was in danger of disruption through the conflicting interests of the great "Have" and "Have Not" Powers. The cases of Manchukuo, Abyssinia, Czechoslovakia, and Poland show that the authority of the League could only be vindicated by conciliation or coercion. When there was neither, the ineffectiveness of the League at once stood revealed. It could not function decisively, precisely at those moments of tension to meet which was the primary object of its existence. At such times, every step it took was a step towards a crisis and not away from it. It became more concerned with its own preservation than with the problems it was called upon to solve. Its own prestige and its own survival became ends in themselves. In its desire to save itself, the League was always likely in the end to bless what it had at first condemned. This acted like an invitation to aggressively minded states to present it with the *fait accompli* in the certain knowledge that they would be able to retain at least a good portion of their ill-gotten gains. Even before the Second Great War, many robberies had been perpetrated,

and in every instance the League had to make the best of the accomplished fact.

Nor should it be forgotten that the aggressor sometimes has right on his side. Wars in general are not lightly undertaken and some may be the result of intolerable provocation. The fact that moral if not legal right may be on the side of the aggressor shows that the signatories of the Covenant had pledged themselves in advance to support causes which they might morally condemn. They gave the League a blank cheque which few of them were prepared to honour.

The loyalty of the "Have" Powers to the League was based upon a very genuine desire for a lasting peace; but at the same time, for them collective security had the advantage of combining moral principle with practical advantage. Not so the "Have Not" Powers who, more realistic, could not bring themselves to abide permanently by static conditions and thus for ever renounce their national aspirations.

"No nation on earth holds a square yard of territory by any right derived from Heaven," Hitler once said. "Frontiers are made and altered by human agency alone. The lost lands will never be won back by solemn appeals to God nor by pious hopes in any League of Nations, but only by force of arms."

Britain's position as the greatest "Have" Power and her consistent support of the *status quo* policy subjects her to the embarrassing criticism that, having appropriated one-quarter of the best part of the globe, she wishes to cry halt to the rest of the world and secure her position for all time on the basis of universal approval. Is there not something rather naïve in the assumption that, in the event of an attack on the British Empire, the "Have Not" Powers would under a system of collective security automatically rush to defend our gigantic inheritance, the object of such widespread envy and jealousy?

The *status quo* policy is a bankrupt policy. It has proved fatal to the peace of the world. It ignores the universal law of change. It appeals only to the great "Have" Powers and to the small nations in danger of attack by big ones. In both cases, it is inspired less by a large-hearted desire for the furtherance of humanity as a whole than by the instinct of self-preservation and national interests. Unless and until there is a better distribution of the good things of this world, it is idle to talk of moral principles or to pin one's faith to collective security as an instrument of peace. On this congested planet of ours equity is more likely to spell peace than the rule of law which often means the perpetuation of injustice. "What does war breed but war? Gentleness and equity invite equity," wrote Erasmus 400 years ago.¹ Equity must come first if there is to be peace and good will on earth.

When within a nation some have far too much and others far too little, such glaring disparities can be adjusted by legislation without violence; but between nations how can it be done by peaceful means? What international body can solve that problem so long as mankind is obsessed with its present ideas of sovereignty and rampant nationalism holds sway?

¹ *Institutio Principis Christiani.*

There lies the crux of mankind's troubles. A recent American publication contains the following warning:

"Another fact which cannot be overlooked is that the nations of the world are at different stages of development and display varying rates of growth. At any given time there are always some that are satisfied and others that are dissatisfied with the political and territorial *status quo*. When such dissatisfaction reaches a certain point, efforts will be made to change the situation by force. A spirit of co-operation and forbearance is no defence against a determined seeker after change. . . . Any workable system of collective security must rely on the support of the Great Powers who alone have the means to enforce it. This they will do in terms of their own security and independence."¹

When the American Senate declined to ratify the Peace Treaties and to accept membership of the League, the decision met with consternation among the European "Haves". But the Americans have been unjustly blamed for their refusal to accept those commitments. Although President Wilson acted with singular lack of judgment in not associating all political parties with him, the overthrow of his policy was not due so much to personal antipathy towards him as to a realistic appreciation of the implications involved. Wilson counted on the League of Nations to redress the injustices and inequalities against which he had struggled in vain. But the American people saw in the Treaties nothing but a denial of the principles for which they, and he, had stood. Rightly or wrongly they regarded them as an unjust and vindictive settlement, and the League of Nations as the instrument for maintaining it. They foresaw that they might be called upon to use armed force in order to perpetuate a system of which they thoroughly disapproved. They did not act in a lighthearted spirit or from selfish motives, for the very men who had been the foremost in advocating any scheme that would ensure peace had in the end reluctantly come to the conclusion that the project would involve the acceptance of incalculable commitments in advance and possibly a course of action which would be repugnant to the nation, on moral or other grounds.

"No agreement," wrote Mr. Root to Colonel House in August 1918, "in the way of a League of Peace under whatever name shall be contemplated which will probably not be kept when the time comes for acting under it. Nothing can be worse in international affairs than to make agreements and then break them."

In the past British statesmen had acted firmly on this precept.

"The British people," said Canning, "will not in any case undertake any guarantee whatever, either of territory or of internal institutions. The scrupulousness with which England is in the habit of fulfilling her obligations makes it the more necessary for her not to contract them lightly."

¹ *The Geography of the Peace*, by Nicholas John Spykman.

In accepting the obligations of the Covenant, Great Britain departed from that policy. Not the least pernicious result of the British people's blind faith in the League and collective security was that it lulled them into a false sense of safety with the result that Great Britain disarmed prematurely, thus not only paralysing her foreign policy during the whole critical between-war period, but actually encouraging Hitler to start another war. Mr. Root saw, as Canning would have seen, that the Covenant was being signed without counting the cost. Can it be said in the light of recent history that this view was wrong?

The immediate problem which the League had to solve was the reconciliation of the French claim to security with the German claim to parity in armaments. At the Paris Peace Conference the French claim to the Rhine frontier had been withdrawn on the understanding that France was to receive a guarantee from Great Britain and the United States of America against German aggression. The United States failed to ratify this agreement. The British Government thereupon declined to give a single-handed guarantee, for fear of coming into collision with the United States over the right of search in a war in which the latter might be neutral. "*Les politiciens ont saboté la victoire,*" cried Foch, and, as events have now proved, not without reason. From 1919 onwards, the question of an Anglo-French Guarantee Pact was under discussion between the two Governments but the negotiations lapsed in 1922. The French Government wanted a Military Convention which Great Britain was unwilling to give. The proposal for the Guarantee Pact was renewed from the British side in 1923 but M. Poincaré scotched it. Anglo-French relations had at the moment most unfortunately become hopelessly confused owing to disagreement over German default.

After the breakdown of the Anglo-Franco-American defensive alliance, Europe never ceased to be tormented by that triangular contest of conflicting policies which centred round the French claim to security, the German claim to parity in armaments, and the British insistence on disarmament as the best way of solving the problem of security and of peace. Neither France, Germany, nor Great Britain can escape responsibility for failure to reach agreement. To apportion blame, however, is not the object of this enquiry; the facts can speak for themselves.

German disarmament, so the Treaty of Versailles said, was insisted upon "in order to render possible the initiation of a general limitation of armaments of all nations," while Article VIII of the Covenant declared that "the maintenance of peace required the reduction of national armaments to the lowest point consistent with national safety". Thus, while the Allies held out to Germany the hope of all-round disarmament, they had retained the right to insist on "national safety" as a necessary prerequisite. Though reasonable enough, the indefinite withholding with the one hand of what the Allies had offered with the other was nevertheless the cause of delay which ultimately proved fatal, for the Allies had in the meantime failed to take the elementary precaution of stopping German clandestine rearmament, while Great Britain persisted with her own unilateral disarmament to set a good example to others.

A proposal was made by Germany in 1922 for a non-aggression pact, between France, Great Britain, Belgium, and Germany, but it was rejected by M. Poincaré. Unfortunately, the moment chosen was untimely, for

it was on the eve of the occupation of the Ruhr and France was in no mood to listen to Germany while she was in default.

To meet the French claim that security must come before parity, a "Treaty of Mutual Assistance" was prepared at Geneva in 1923 which aimed at reducing armaments and making military sanctions automatic and obligatory. The British Labour Government and the Dominions rejected it because they feared the recrudescence of Alliances contrary to the spirit of the Covenant.

In 1924 arose the question of Germany's entry into the League. That year witnessed a relaxation of the tension. Immediately on taking office Mr. MacDonald sent a note to France insisting that the peace of Europe could only be secured on the basis of the fullest collaboration between London and Paris. This put an end to the wrangling between the two capitals and heralded the revision of the treaties on which such high hopes were built. The French demanded a collective guarantee against aggression as the price of their consent. This led to the "Protocol for the pacific settlement of international disputes" which was adopted by the Assembly in 1924. In its attempt to make war impossible by combining disarmament with arbitration, it went even further than the Covenant itself, which in certain circumstances allows of war. Though the Protocol reaffirmed the Peace Settlement of 1919 and in particular the territorial settlement, it fell far short of France's demands for security, since military sanctions were not made obligatory. France's acceptance of the Protocol therefore showed that she had considerably modified her attitude since Poincaré's recent fall from power. Before Mr. MacDonald's Labour Government had time to ratify it, they were out of office, and the new Conservative Government rejected it on the ground that it presented possibilities of entanglements in Europe, while the Dominions feared that it might place limitations on their freedom of action as regards their own municipal legislation.

Although it was provided that the Protocol should not come into force unless and until an international conference had come to a satisfactory conclusion on disarmament, the British Government refused, in spite of this safeguard, to ratify it on the ground that it "sought to maintain peace by organizing war". British military unpreparedness, which was so largely responsible for the Second Great War, is the best commentary on this argument. The Protocol represents the nearest approach to collective security ever reached.¹ It was rejected not on its merits but on account of party feeling. Once again, we find the effects of democracy projected into the sphere of foreign policy and thwarting the aims of diplomacy. The Electorate which had blithely accepted the almost unlimited commitments of the Covenant now rejected the Protocol which aimed at reducing the risks of war by tightening it up.

Admittedly commitments should not be entered into lightly. It is a fallacy, however, to suppose that indiscriminate refusal of commitments is a guarantee against being dragged into war. On the contrary, it may increase the risk. Few of the countries involved in the last war were committed beforehand. If Germany had realized that an attack on France would bring the British Empire into the field against her, would

¹ *The Vital Peace*, Wickham Steed. Pp. 155-6.

the First Great War have taken place? Sir Norman Angell has wisely said: "You cannot limit your liabilities by limiting your obligations." In the light of this truth we may now well ask whether Great Britain's rejection of the Protocol has not cost her more than if she had consented to organise war to maintain peace, for, whether committed on paper or not, it was always clear that she could not remain neutral in the event of another conflagration in Europe. Had the British Government instead of preaching no more commitments met France on the question of security on condition that France came to terms with Germany over disarmament (before Hitler came to power), such a commitment might possibly have ensured peace, at least for a time. For the deadlock over the Protocol France not unnaturally blamed Great Britain.

At this juncture the initiative was to come from the most unexpected quarter—Germany. While Stresemann was having his portrait painted by Mr. Augustus John, who knew no German, he and Lord D'Abernon conceived the idea of a Western Pact which ultimately materialized in the Treaty of Locarno.¹ It was the better atmosphere resulting from the Dawes Plan, coupled with the failures of the Protocol, which encouraged Stresemann to make this move. The plan approached the subject from a new angle. France, Germany and Belgium were to pledge themselves to respect the inviolability of the Rhine frontier, Great Britain and Italy acting as guarantors against aggression from either side. Germany was to enter the League and disarmament was to be pushed forward.

The first tentative enquiries were made by Stresemann on February 9th, 1925, but they did not meet with any warm response. Sir Austen Chamberlain thought them premature and unwise. He distrusted these German overtures. Herriot locked them up in his drawer. The accession of Hindenburg to the Presidency of the Reich was at that time not calculated to inspire confidence. But on April 10th of that year Herriot was succeeded by Briand and a new and more hopeful era began to dawn. German passive resistance in the Ruhr gave way to Stresemann's fulfilment policy and his determination that Germany should enter the League.

In accepting the principles of the Locarno Treaty, Stresemann had abandoned Germany's claim neither to territorial readjustments in the East nor to equality in armaments. He had, bowing to the force of circumstances, changed his methods, not his objectives. It was his conviction that by no other means could Germany, in her exhausted condition, hope to obtain redress for her grievances, while in reality never for a moment abandoning the ultimate objective of restoring Germany's military might by fair or foul means. The Germans were always highly sceptical as to the value of the British guarantee against a French attack. For Great Britain to guarantee France against German attack was intelligible enough on the grounds of self-interest, but to guarantee Germany against French attack was to promise something which they thought no British Government would be allowed to implement.

Germany's entry into the League was, for her, to be the test of the *bona fides* of her former enemies and the worth of that institution. Though

¹ *An Ambassador of Peace*, Lord D'Abernon.

Locarno had purported to guarantee the Western frontiers, it had not disposed of the rival claims to parity and security, upon the settlement of which disarmament and ultimately peace depended. So long as this issue remained in suspense, and above all so long as the problem of Germany's Eastern frontiers remained unsolved, it was premature to hail Locarno as a guarantee of peace.

Meanwhile, in 1925, after the signature of the Treaty of Locarno and the stabilization of the Reich's currency, Germany's hopes began to rise, only to be disappointed again by the postponement of her admission to the League caused by the Polish, Spanish, and Brazilian claims to permanent seats on the Council, and the long discussions thereon. After many delays and difficulties, Germany entered the League in 1926.

The Treaty of Locarno was followed in 1928 by the Pact of Paris (the Kellogg Pact) renouncing war as an instrument of policy. It was signed by sixty-five states, including Germany. It purported to add to the security provided for in the Covenant of the League because, as Senator Borah said: "It is not conceivable that America will stand idly by in case of a gross breach of a multi-lateral Treaty to which it is a party."

But, despite all, France still remained obdurate on the question of security. The Kellogg Pact, she maintained, offered no guarantee whatever. The Locarno Treaty left loopholes for escape. Great Britain could still evade her responsibilities and prevent unanimity at the Council of the League. Nor was she in a position to offer France a military Convention without doing the same for Germany, for her obligations under the Treaty of Locarno to France and Germany were identical. Besides this, Great Britain had disarmed and was unprepared for that immediate military action upon which, in modern warfare, success or failure so largely depends. Therefore France remained unmoved.

Though Germany had, from the very first, clamoured for equality in armaments, no real effort could be made to deal with the disarmament problem until Germany had entered the League of Nations. Up to that time all the discussions which had taken place at Geneva centred round the French claim to security, not round the German claim to equality. The Treaty of Locarno and Germany's entry into the League, the acceptance of the Dawes Plan and the stabilization of the mark did much to restore confidence; and a period of renewed optimism now began, only once again to end to bitter disillusionment.

Shortly after Germany had joined the League, there took place a secret meeting between Briand and Stresemann at Thoiry, and an agreement was reached which seemed to offer some prospect of a better understanding between France and Germany. The remaining two Rhineland zones were to be evacuated in the course of 1927. The Saar was to be restored to Germany without a plebiscite. Military control was to be terminated, while Germany on her side was to float a huge international loan, the proceeds of which were to be handed over to France to save the franc which was now in serious danger of collapse.¹ For a brief moment, therefore, the relaxation in the tension in Franco-German relations seemed to hold out the promise of reconciliation and appeasement. But renewed trouble arose between France and Germany over the failure

¹ *Nazi Germany Explained*, Vernon Bartlett.

of the latter to fulfil her obligations under the military clauses of the Treaties. Poincaré had returned to office in France and bluntly reminded Germany that she had not disarmed. Stresemann's disappointment was profound when he learnt that Locarno implied neither evacuation of the Rhineland nor any better prospect for disarmament. This gave Hitler his opportunity for denouncing Stresemann and his fulfilment policy. All chance of a satisfactory settlement and friendly co-operation between the two countries was at an end. All the old bickerings and misunderstandings started afresh. The Rhineland was not evacuated till 1930.

The entry of Germany into the League made it impossible for France to shelve any longer the problem of disarmament. The German claim to parity was now to occupy the centre of the stage.

In August 1928 a Preparatory Commission was set up under the League of Nations to pave the way for the Disarmament Conference; but at every stage it became clearer that the gulf between Germany's claim to parity, and the French claim to security first, could not be bridged. When the Preparatory Commission in 1930 presented the first draft convention, no mention was made of reduction in land armaments, but, instead, it concentrated on budgetary limitation. Now expenditure was the one thing in regard to which Germany had been left complete freedom under the Treaty of Versailles. The Germans manifested great indignation. The draft nevertheless was accepted as a basis for discussion, and agreement was reached on the principle that disarmament should proceed by stages. The Preparatory Commission did much to bring out the divergence of views on the problem of disarmament, but it contributed little or nothing to its solution.

When the full Conference met in February 1932 the French Delegation proposed a League police force. This proved quite unacceptable to the British and United States Governments. Other proposals were put forward, but France always insisted on some addition to French security as the price of her acceptance, the more so since German clandestine rearment was gathering momentum.

Stresemann died in 1929 and was succeeded by Brüning, who pledged himself to continue the fulfilment policy. But the rapidly rising tide of German agitation against these delays, for which Germany placed all responsibility on the shoulders of the Allies, made his position exceedingly difficult. In desperation he besought the Powers to allow him, at least, "samples" of armaments in order to placate German public opinion. Time and again he voluntarily offered to abide by the limitations of the Versailles Treaty if the other Powers would agree to level down their armaments likewise. He even went to the length of offering to scrap the famous "pocket battleships" and to build no more if the other Powers would also disarm. But on one point he was adamant. There must be no more discrimination between victors and vanquished. There must be equality of rights. He was probably sincere in his belief that this concession would allay public disquietude. But fears of Germany had by then been aroused in Europe blocking progress in all directions, and the manifestations which had followed the evacuation of the Rhineland had shaken confidence in German good faith. This, at any rate, was the effect on Europe and prompted the refusal of Brüning's demands.

For a little while longer the Brüning Government remained in power and Hitler in opposition. Brüning, fully realizing the dangers ahead, strove hard against the tide. Then suddenly came the great economic depression. The calling in of the loans by America resulted in an unprecedented financial and economic crisis. There were between six and seven million unemployed in Germany. The general distress and impoverishment which Hitler cleverly exploited by representing it as the result of the Versailles Treaty helped to swell the Nazi ranks. In vain Brüning rushed from capital to capital in search of help. Everywhere he was given the cold shoulder.

At this point Mr. Hoover made his proposal for a moratorium for War Debts and Reparations, but this was side-tracked by French delays. Nothing but a very spectacular diplomatic success could now save Brüning, such as the cancellation of reparations, the recognition of Germany's claim to equality or Treaty revision.

In a last effort to save, as he thought, the Republic, Brüning launched his ill-advised scheme for a Customs Union with Austria. The project, interpreted in France, Italy and the Succession States as the first step towards the Anschluss, only added to the general confusion. The British Foreign Secretary intervened and insisted on referring the question to the League, which, in its turn, referred it to the Hague Court. By a majority of one the Court upheld the French contention that it was in violation of the Treaties.

This set-back certainly did not assist the moderate elements in Germany against the extremists. German fury knew no bounds. Hitler could have wished for nothing better. In September 1930 the Nazi party jumped from twelve to 107 seats in the Reichstag and emerged as the strongest in Germany. Brüning fell, and with him the Weimar Republic, which had shown itself quite incapable of orderly government.¹ Locarno and the League were threatened.

In the meantime, the economic depression had reached its most critical stage and this enabled Von Papen, now Chancellor, to obtain the cancellation of reparations.

When in July 1932 the Disarmament Conference published its resolutions full of grandiose affirmations of principles, but without concrete recommendations, and without granting German equality, the occasion was seized by Germany for further complaint against the Powers. At the Reichstag Elections on July 31st, 1932, the National Socialist Party gained 230 seats and registered 13,745,000 votes. The German delegation at Geneva, ignoring of course Germany's own clandestine re-armament, now declared that unless equality were granted, Germany could no longer collaborate in the Disarmament Conference. The climax came when, on the last day of the session, the German delegate was told by the British Foreign Secretary that on the equality issue Germany "had no legal right". She had not, but that did not prevent a fresh storm in Germany which Hitler was not slow to exploit. The Germans maintained that they had been waiting for fifteen years for the Allies to fulfil the promises held out to them under Part V of the Versailles Treaty, conveniently forgetting that these were subject to Germany observing her

¹ The Weimar Constitution has never been formally abrogated.

obligations. German re-armament therefore amply justified the French attitude.

Fearing a race in armaments, the British and French Governments set to work on new disarmament proposals. These they presented in November, accepting definitely the principle of equality. On December 11th, 1932, Great Britain, France, Italy, the United States, and Germany agreed upon the formula: "equality of rights in a system which would provide security for all nations". At long last therefore the principle of *Gleichberechtigung* was conceded, but Germany's immediate reaction was to suggest that the concession had been made too late to satisfy her. General von Schleicher, who had now become Chancellor, nevertheless announced that Germany would resume her seat at the Conference, but it was only to propose a Disarmament Convention providing for the security of all states by the disarmament of the Allied Powers.

The widespread distress arising from the Great Economic Depression and the breakdown of the Disarmament Conference swept Hitler into power. He became Chancellor on January 30th, 1933. It was a warning. Did not his programme announce the repudiation of the Treaty of Versailles as a whole? The pace of German demands increased. In March 1933 the British Government drew up a new draft convention for the standardization of European armies, but German obstruction brought the Conference once more to the verge of a breakdown.

In the summer of 1933 France had made fresh proposals, but these involved another eight years' delay before complete equality could become a reality. Germany protested that this was proof positive of the intentions of the Powers to keep her in bondage for ever. When France, distrusting Hitler, broke off negotiations early in 1934, the Disarmament Conference was dead. "Of a real desire to achieve disarmament for its own sake," observes General Temperley, "I could see no signs anywhere because they were afraid."

The Allies may not always have dealt wisely or generously with Germany, as Mr. Neville Chamberlain once admitted; but, once Hitler was in power, no amount of good will or generosity would have availed aught; for what confidence could be placed in his plighted word, when we compare his acts with his utterances? Had he not asserted that he would abide by the Treaty of Locarno because it had been freely entered into by Germany? Had he not in July 1936 agreed to respect the independence of Austria provided that Austria "would recognize that she was a German state", and had he not, after the Anschluss, referred to it as the realization of his most cherished ambition? Was not the destruction of Czechoslovakia, in flagrant violation of the Munich Agreement, an act of perfidy? Had he not, in January 1934, signed a ten-years' non-aggression pact with Poland which provided that all questions "affecting the two nations should be dealt with by way of direct negotiation"? Again and again in his speeches he indignantly denied any intention of doing any of these things and yet he did them. Clearly, therefore, no undertakings of Hitler were worth the paper they were written on. Being obsessed from the first by *Machtpolitik*, no accommodation with him was possible. With the advent of Hitler, the time for appeasement had passed.

So long as Great Britain, the only Power which was in a position to give effective guarantees, consistently refused to do so, there was never

any real chance of appeasement in Europe under League auspices, nor any hope for the Disarmament Conference. Peace could never be secured without Great Britain accepting commitments; without her leadership and wholehearted co-operation. But what Government would have dared commit the country to such a policy which, incidentally, would probably have involved a measure of conscription if it were to be effective? Unless public opinion had been carefully educated beforehand, it would certainly never have approved such a course. Here stands revealed once more the weakness and dangers of democratic control of foreign policy. No course is ever completely free from hazard; but the greatest of all risks is when risk is shirked.

Such are the developments of the unfortunate period between the two wars in the briefest outlines, for it is not the object of this book to write the "history" of the years 1919-1939 except in so far as it helps to elucidate its main thesis.

That the Allies committed many blunders and made many miscalculations, there is little room for doubt, blunders and miscalculations which furnished Germany with grounds for legitimate grievance in some directions, but whatever they may have been, they provided no excuse for the methods of Nazism.

It was never difficult to foresee that Europe was heading for disaster, but political paralysis and blindness to the revolutionary significance of the between-war social and economic developments, together with military unpreparedness, prevented the Allied diplomacy from taking any steps to avert war before it was too late. And so we have had to witness the decline of the League of Nations, the collapse of the Reparations Commission, the undermining of the prestige of the Permanent Court of International Justice, and the breakdown of the Disarmament and Economic Conferences.¹

The League failed because its idealism was too far in advance of the age, because it had been subjected in its infancy to a strain which in the very nature of things it ought not to have been called upon to bear, and because it sought to establish the rule of law before the foundations of equity had been laid; it did not fail because there was anything amiss in the idealism upon which it was based. One thing is clear beyond all doubt, and that is that we cannot depend upon a League to keep the peace between great and powerful states. Even if all nations were disposed to place overwhelming military power at the disposal of the League so as to enable it to enforce obedience to its decrees, there could still be no assurance that it would be used to restrain a would-be aggressor. So long as there exist great "Have" and "Have Not" Powers there will not be the necessary unanimity for the application of force but rather a tendency to take sides. Therefore in practice it will not be on the League, even if reformed, that we can depend for the maintenance of peace but upon an overwhelming preponderance of power of one group of nations over the other; even that would not necessarily prevent the outbreak of war. But such a peace could only last so long as the dominating group remained of one mind, and that must always be highly problematical in this opportunistic and kaleidoscopic age of unsettled political convictions.

¹ The latter was held in London in the summer of 1933.

A precarious preponderance of power on one side or the other can always ensure peace for a time, but it cannot be relied upon to endure. If it should happen to be that that preponderance were in wrong hands we should have the wrong kind of peace—a peace enforced by tyranny and oppression—the peace of the grave. A lasting peace cannot depend upon a momentary preponderance of power possessed by one group of nations, but only upon the constant readjustment of policies having for their object community of interest. Peace depends upon equity and not upon the rule of law or empty legal formulæ, upon policies and not upon a League equipped with illusory military power.

The conclusion to which this analysis inevitably leads is plain. No amount of reform of League machinery will suffice to make it effective as an instrument of peace. The real remedy lies in harmonizing the national policies of the Great Powers whether members of the League or not. Unless, after the Second Great War, means can be found to redress international inequalities, there will be no change of heart on the part of the "Have Not" Powers and a resumption of the struggle sooner or later will become inevitable. Indeed, in the last analysis, it will probably be found that the only effective guarantee against war will be some kind of pooling of sovereign rights. But the time is not ripe, and Governments will have to walk warily where sovereignty is concerned. Only a general and gradual recognition of the failure of nationalism is likely to bring about the necessary change of outlook. It rests upon the great "Have" Powers to create the conditions in which a League can function.

If a League cannot be relied upon for the preservation of peace, it may well be asked whether it serves any useful purpose at all; whether, indeed, it is not an actual hindrance and danger. Should it be jettisoned? The answer is emphatically: No. As Field-Marshal Smuts said, "If men and women cannot rise to the height of this lofty idea (of the League) that is no reason for abandoning it."

Though the League may have failed in its main political purpose, in its dealings with the small states it was almost uniformly successful and even in disputes about minor questions in which great states were involved. In the disputes between Greece and Bulgaria arising out of the invasion by Greek troops; between Sweden and Finland over the Aland Islands; between Great Britain and Turkey over Mosul; between Great Britain and Iran over the Anglo-Iranian Oil Co.; between Switzerland and France over the Pays de Gex; between Yugo-Slavia and Hungary after the assassination of King Alexander; and between France and Turkey over Alexandretta, its decisions were accepted by the contending parties.

But it is above all in the non-political sphere that the League has done most admirable work. It promoted international understanding in social, economic, and financial matters, such as the suppression of the traffic in women and drugs. It succeeded in settling 1,400,000 Hellenic refugees in Greece. It contributed to the tranquillization of the Balkans by the exchange of Greek, Bulgarian, and Turkish populations in Macedonia. Much reconstruction work both in Bulgaria and Hungary is due to its assistance. It gave financial help to Austria and Estonia after diplomacy had failed. But by far the most successful part of its activities was that of the International Labour Office. That institution has much to its

credit in providing better conditions for the labouring classes in many countries. It supplied advisers and experts to many governments for the construction of roads and railways and other public utilities. It also did much useful work in the prevention of disease. There can be no question but that the Council, the Secretariat, the Permanent Court, and the International Labour Office rendered signal service in the interests of peace, by preventing minor disputes from developing into big and dangerous questions. Since after the Second Great War it is unlikely that a reformed League will be any better able to prevent war by the exercise of its authority than the old one, would it not be wiser to confine its activities to the social and economic problems which alone can offer any hope of creating a community of interests and rely on its growing moral influence to effect that purpose without investing it with illusory powers of castigation?

If the League by itself can do nothing to make collective security a reality and thus guarantee peace, it can at least do something to remove collective insecurity. There are many directions in which it can extend its work. Let it drop the pretence of being able to exercise punitive functions; and let it try to become a Court of Equity rather than of Law. Once it rests upon a purely moral basis, it can become a very useful instrument of conciliation. Even if at times it may descend to the level of a mere international debating society, its prestige will not be impaired to anything like the extent that a signal failure to apply compulsion will entail. As a clearing-house for the ventilation and redress of grievances, for the reconciliation of differences, the promotion of international trade, the search for remedies for economic depressions and the investigation of the causes of war a League thus employed can be made to serve the interests of peace in a very real sense. If, after the Second Great War, as now appears likely, the United States of America were to join a reconstituted League it might in time acquire such an influence and authority that no nation would dare defy it.

The ideals of the League, as embodied in the Covenant, must always remain the guiding principles of British policy. "There is nothing amiss in the vision of a world community functioning in conference and co-operation," said Field-Marshal Smuts, ". . . for the Covenant is a long-range business like Christianity itself and like all great human causes."¹

But while steadfastly adhering to our ideals we must not delude ourselves into believing that they are likely to be realized in our time. British public opinion in the crucial years following 1919 failed to realize that so long as the present inequalities among nations exist the question of peace and war will not depend upon the League but on national policies. The British public was right about the ideal but blind to the reality. If that attitude of mind persists after the Second Great War it will impose a fatal fetter on diplomacy.

[NOTE.—This chapter was written before
the Dumbarton Oaks Conference.]

CHAPTER VII

"HALF A LEAGUE, HALF A LEAGUE, HALF A LEAGUE, ONWARDS"

"There is nothing more dangerous than a foreign policy based on unreality."

MR. ANTHONY EDEN in the House of Commons, May 6th, 1936.

LORD BRYCE has maintained in his *Modern Democracies* that "the instincts of the masses are as likely to be right as the theories of the learned". How far is this borne out in the test case of Abyssinia? The League of Nations had become the pivot of British foreign policy. The public had been taught that it stood for peace and collective security. As such it had become the rallying point of all parties both in the United Kingdom and the Dominions. But few understood that in the absence of certain indispensable conditions, action by the League might precipitate a war rather than ensure peace. It was not wholly as idealists that we worshipped at the shrine of "Notre Dame de Genève". Behind a certain complacent attitude of mind there lurked the subconscious assumption that the League would guarantee the security of the British Empire for all time, and thus relieve us of much anxiety about the financial burdens of defence. In the mind of the public the sanction system was a mysterious power vested in the League, which could reduce any would-be disturber of the peace to instantaneous submission. All it had to do was to press the button.

There can be no better example of the disastrous consequences which a well-meaning but uninstructed democratic electorate can produce in international relations when it brings its full weight to bear on a delicate issue of foreign policy than the unhappy predicament of the British Government in the Italo-Abyssinian dispute.

It so happened that the crisis fell on the eve of a General Election. The issue at stake was the application of sanctions to Italy. From the very first it was quite obvious that a war with Italy would be primarily a war at sea, and that, since fifty-six of the nations which had responded to the crack of the British whip at Geneva possessed no navies, the brunt would fall upon France and, more particularly, upon Great Britain. But since the public had never been educated up to the realities of the situation it naturally could not be expected, in the face of such patent bad faith on the part of Italy, to exercise restraint, and it is scarcely surprising, having regard to her deliberate violations of the Covenant, the Kellogg Pact, the Anglo-Franco-Italian tripartite agreement of 1906, the Treaty with Abyssinia of 1928 and the Treaty of Rio de Janeiro (to which Italy had acceded in 1934), all forbidding aggression, that when the war between Italy and Abyssinia began in October 1935, public opinion rose to fever heat. The Church, the Press, the League of Nations Union, and the Labour Party all clamoured for sanctions. "We want peace and we don't care whom we fight for it" was the spirit which had taken charge of the popular mind.

But the determining factor of British policy was the Peace Ballot organized by the League of Nations Union a few months previously. Of all forms of insidious and dangerous proceedings few are worse than a

referendum to millions of ill-informed people in the shape of a questionnaire on a political subject which they do not understand and so framed as to elicit the answer desired. The age qualification of the ballot was eighteen. Of 11,500,000 people who voted, 10,033,000 favoured the application of economic sanctions against an aggressor; of these 6,748,000 were prepared to go as far as military sanctions. The average total vote of a General Election is about 20,000,000. Clearly no government could ignore a vote amounting to more than half the electorate.

This surely was an overwhelming verdict in favour of entanglements of the widest description, when for years past Government after Government, backed by public opinion both in this country and in the Dominions, had consistently refused to extend their commitments. Having strained at a gnat all this time, democracy was now prepared to swallow the camel.

But how flimsy were the foundations upon which the result of the Peace Ballot rested was exposed by the *Daily Express* in its issue of July 31st, 1935, according to which that paper, too, had conducted a Peace Ballot on the issue of British intervention in the dispute between Italy and Abyssinia but with very different results. Its words are worth quoting:

"One of the areas in which the Union claimed that the Ballot had shown the largest possible vote in favour of their policy of economic and, if necessary, of armed intervention in European wars was chosen by the *Daily Express*. That area was the Northwood district of Uxbridge, Middlesex.

"In Northwood the Union balloteers posed their famous question to the Electors: Do you consider that if a nation insists on attacking another, the other nations should combine to compel it to stop by

- (a) economic and non-military measures? and
- (b) if necessary, military measures?

"To these questions the Union claimed these answers:

- (a) Economic measures: for 3791, against 386
- (b) Military measures: for 2841, against 775."

"Now what happened when the *Daily Express* conducted its ballot? Without the aid of Church organizations, political clubs, or voluntary workers every one of the 1855 households in the area was visited; 1629 replies were given. Householders were not asked to state airy views on what should be done in some remote idealistic contingency. They were asked two practical questions:

"(1) When Italy goes to war with Abyssinia, are you opposed to using the British Army under the orders of the League of Nations to fight the Italians? Yes or no.

"The answers were: Yes 1510. No 119.

"(2) Are you opposed to using the British Navy under the orders of the League of Nations to blockade the Italian harbours?

"Answers: Yes 1500. No 127.

"Two voters refrained from voting on question 2.

"By a majority of fifteen to one the people of Northwood thus declared themselves in direct opposition to the use of British fighting forces in the immediate League of Nations intervention against Italy."

If these figures are correct they show quite conclusively how dangerously misleading and unreliable the results of a ballot can be when the questions put are tendentious, and one can only speculate what the result would have been had the *Daily Express* covered all the constituencies of the United Kingdom.

As a result of the League of Nations Union Peace Ballot, and in view of the impending elections, the Government felt it had no option but to give effect to the popular will. This precipitated the headlong rush into sanctions.

Contrast this with the attitude of the Government on the question of sanctions just after a General Election—that of 1924—when statesmen were less subject to democratic pressure than they were on the eve of the elections of 1935.

The Geneva Protocol for the Pacific Settlement of International Disputes of 1924 purported to define the sanctions to be applied to an aggressor, and the obligations of Members of the League in regard to them. Paragraph 6 of Article IV of the Protocol laid down the following:

"Should a state in disregard of the above undertakings resort to war, the sanctions provided for by Article 16 of the Covenant, interpreted in the manner indicated in the present Protocol, shall immediately become applicable to it."

Article X of the Covenant empowered a state to exercise belligerent rights when applying sanctions against an aggressor.

Lord Parmoor, as a member of the Labour Government and leader of the British delegation at Geneva, declared that the latter were "prepared unhesitatingly with all the influence at their command, to recommend to the British Government the acceptance for signature and ratification of the proposed Protocol". Fully realizing the implication involved, he added: "I do not shut my eyes to the fact that, although the motive of action may be of assistance to the victim, it may not be possible to give the assistance without creating a state of war as against the aggressor."

Before the Labour Government of 1924 could put their signature to the Protocol, they were swept out of office. To Sir Austen Chamberlain, who had succeeded Mr. Ramsay MacDonald as Foreign Secretary, fell the duty of explaining to the Council of the League on March 12th, 1925, the reasons which had induced His Majesty's new Government to reject the Protocol. His speech, in the political calm which follows an election, deals with the question of sanctions dispassionately and objectively. He saw that sanctions were impracticable and dangerous in the existing state of the League. Sir Austen said:

(1) "As all the world is aware, the League of Nations in its present shape is not the League designed by the framers of the Covenant. They no doubt contemplated and, as far as they could, provided against the difficulties that might arise from the non-inclusion of a certain number of States within the circle of League Membership. But they never supposed that among these states would be found so many of the most powerful nations of the world, least of all did they foresee that one of them would be the United States of America.

(2) "The 'economic sanction', if simultaneously directed by all the world against a state which is not in itself economically self-sufficient, would be a weapon of incalculable power. This, or something not very different from this, was the weapon originally devised by the authors of the Covenant. To them, it appeared to be not only bloodless, but cheap, effective, and easy to use, in the most improbable event of its use being necessary. But all this is changed by the mere existence of powerful economic communities outside the limits of the League. It might force trade into unaccustomed channels, but it could hardly stop it, and, though the offending state would no doubt suffer, there is no presumption that it would be crushed, or even that it would suffer most.

(3) "The fresh emphasis laid upon sanctions, the new occasions discovered for their employment, the elaboration of military procedure insensibly suggest the idea that the vital business of the League is not so much to promote friendly co-operation and reasoned harmony in the management of international affairs, as to preserve peace by organizing war, and, it may be, war on the largest scale. . . . It is not wholesome for the ordinary man to be always brooding over the possibility of some severe surgical operation; nor is it wise for societies to pursue a similar course. It is more likely to hasten the dreaded consummation than to hinder it. And it certainly seems to His Majesty's Government that anything which fosters the idea that the main business of the League is with war rather than with peace, is likely to weaken it in its fundamental tasks of diminishing the causes of war."

The policy advocated by Sir Austen Chamberlain on the subject of sanctions was consistently upheld by succeeding British Governments until the Italo-Abyssinian dispute of 1935. In that year the Government, pledged both to apply sanctions and to keep the country out of war (except on a collective basis), was pushed into an untenable and inconsistent policy. Sir Samuel Hoare, then the Secretary of State for Foreign Affairs, informed M. Laval on September 9th that the British Government would in no circumstances apply to Italy any sanctions other than financial and economic, and that the closing of the Suez Canal or a naval blockade of Italy was out of the question. This reluctance to push matters to extremes certainly betrayed misgivings about the whole procedure. Sanctions can have only one purpose, and that is to coerce the transgressor into submission. If economic pressure fails, to refrain from proceeding to military sanctions is the height of absurdity and can obviously only court the discomfiture of the League. There is in fact a point where the distinction between economic and military sanctions disappears and the only consideration that matters is effectiveness or ineffectiveness. The League wanted the economic sanctions to be effective, but as soon as it became apparent that the only really effective economic sanction would be an embargo on oil, it at once drew back because in all probability oil sanctions would have set the spark to a European conflagration.

At the meeting of the League Assembly in September 1935 Sir Samuel Hoare electrified the world with a resounding speech. He was obviously

unaware of the dubious background of the Peace Ballot as revealed by the *Daily Express*, for he said:

"The recent expression of public opinion shows how completely the nation supports the Government in the full acceptance of League Membership. To suggest or insinuate that this policy is for some reason peculiar to the question at issue would be a complete misunderstanding. It is to the principle of the League and not to any particular manifestation that the British nation has demonstrated its adherence. Any other view is at once an underestimate of our good faith and an imputation upon our sincerity. In conformity with its precise and explicit obligations, the League stands, and my Country stands with it, for the collective maintenance of the Covenant in its entirety, and particularly for steady and collective resistance to all acts of unprovoked aggression. The attitude of the British nation in the last few weeks has clearly demonstrated the fact that this is no variable and unreliable sentiment but a principle of international conduct to which they and their Government hold with firm, enduring, and universal persistence. There then is the British attitude towards the Covenant. I cannot believe it will be changed so long as the League remains an effective body, and the main bridge between the United Kingdom and the Continent remains intact."

His speech caused a sensation and did much to restore the flagging loyalty of the smaller states to the League. These now for the first time felt assured of British support in the event of attack. France felt bewildered in view of our hitherto steadfast opposition to any sanctions policy, and she was embarrassed because of her recent reconciliation with Italy which Laval had been at such pains to achieve with the blessing of the British Government.

While we were placing Italy in the dock at Geneva, it was futile to assure Mussolini that our loyalty to the League need not impair our friendship with his country. He could scarcely have been under any illusions as to the anti-Italian character of public opinion in Great Britain. At the Stresa Conference Italy, together with France and ourselves, signed a joint declaration that they "find themselves in complete agreement in opposing by all practicable means any unilateral repudiation of treaties which may endanger the peace of Europe". But while that Conference was sitting the transport of Italian troops to Eritrea was already in full swing. Why then did the British representatives not utter a single word of warning? "And did you discuss Abyssinia with Mussolini?" somebody asked Mr. MacDonald. The latter stared. "My friend," he replied sharply, "your question is irrelevant."¹

As the result of the British drive at Geneva fifty-six countries agreed to the application of sanctions. Italy, alarmed, replied by tightening her belt and imposing sanctions herself on all countries that imposed them upon her, while redoubling her military efforts in Abyssinia.

From the point of view of Mr. Baldwin's National Government the winning of the elections was of paramount importance and worth any

¹ *Inside Europe*, John Gunther.

risks. It was tolerably clear from the very first that an eventual Italian triumph was at least a possibility, if not a probability, and that the League's prestige would suffer far more from a successful defiance than from its own inaction; yet not for a moment were all the embarrassing complications of such an eventuality to be allowed to stand in the way of winning the General Election. Moreover, the electorate appeared to be insistent, and so the Government had no option but to continue along the slippery slope leading to the abyss. They proceeded to force the pace at Geneva to the point when, despite their assurances to the contrary, it became in effect an Anglo-Italian quarrel. Unless the authority of the League could be made effective it was bad policy merely to embitter Anglo-Italian relations by taking the lead in antagonizing Italy. We were bound to her by ties of traditional friendship and her loyal co-operation, in the disturbed state of Europe, was of value to us. But democracy preferred impractical idealism to practical politics.

If the League could survive the Manchukuo affair it could also survive the Abyssinian crisis; with some additional loss of prestige, no doubt. But would not that loss have been preferable to a hostile and estranged Italy in the arms of Germany and the complete collapse of the League? It came as something of a shock to the public to find that while Geneva was galloping along the road towards sanctions Sir Samuel Hoare, having now come to realize that blind allegiance to an imperfect League spelt war and not peace, suddenly felt it wiser to rein in. Having from the first encouraged Abyssinia to resist we were now, in collusion with France, prepared to sacrifice her to save the situation in Europe. But how was it possible to reconcile a reward to the aggressor with justice to the victim who had appealed to the League for protection? In the light of the circumstances existing at that time it would no doubt have been wiser for Abyssinia for her own sake to have compromised on the lines of the Hoare-Laval proposals. But that does not absolve Great Britain from her responsibility for having encouraged her resistance in the first instance, and then for having forsaken her.

When the storm broke the British Government met the fracas with what dignity they could muster. They confessed their sins, with penitent amends. They had shown lack of courage and foresight, it is true, but the sin was not entirely theirs. The public shouted "Stop Mussolini!" : it also shouted "No War!" No Government could have reconciled these demands at a moment of crisis at home and abroad.

The whole affair was well summed up by the late Mr. J. A. Spender:¹

"The old diplomacy would at least have kept Signor Mussolini guessing; and it would almost certainly have saved something out of the wreck by a compromise which, on its own assumption, it could have accepted without disgrace and even with credit. The League so acted as to make its defeat inevitable, and it preached a doctrine which made the acceptance of any compromise impossible without dis-honour.

"If (1) settlement by compromise is to be vetoed in the name of the League principles, and (2) the League is unable to make these prin-

ciples prevail, our last state will be worse than our first. We shall have lost the advantage of ordinary diplomacy, and gained none of the benefits of the new order. Europe, it seems to me, is in extreme danger of falling between two stools.

"Recriminations are useless, but when zealous people are again exhorting their Government to 'take a lead' while again hedging their advice with the proviso that we are in no circumstance to fight alone, it is time to be warned. The lesson of the past is surely the exactly opposite one, that we must make no fresh start, either in dealing with Italy, or hereafter with Germany, until we and our partners in the League are in absolute agreement as to the length we will go, and can rely on one another to act resolutely together up to this point. On any other terms collective security becomes individual responsibility, and the partner who 'takes the lead' will bring all the discredit of failure upon himself.

"I am speaking now of public manifestations. What we or others may do by private negotiation or diplomacy is, of course, another matter. But, 'taking the lead' in any sense which brings one of the League nations in advance of the others is inconsistent with the idea of collective action, and likely to be fatal to it in practice."

There were in reality only two courses which the British Government could have adopted without exposing themselves to the charge of inconsistency and dishonourable conduct. One was to adhere strictly to the policy laid down by Sir Austen Chamberlain of refraining from the imposition of sanctions so long as the Great Powers were not all members of the League of Nations. The other was to insist with unflinching determination to go to all lengths to make sanctions effective. The first was ruled out by the popular clamour for sanctions and the second by the equally strongly expressed public will to avoid fighting. Thus, the British Government, pushed into the policy of a middle course, actually did fall between two stools.

Well might the late Pope (Pius XI) exclaim at the height of the crisis: "*La providence seule peut régler cette affaire et je suis curieux de voir comment elle va s'y prendre.*" Providence was to answer in no uncertain manner.

From almost every point of view the outcome was disastrous.¹ Abyssinia was destroyed. The League forced Mussolini to swallow the whole, whereas without League action he would probably have been content with a portion. Public opinion in Italy at first was divided as to the wisdom of the Abyssinian adventure, but the action of the League united the whole nation behind the Duce in a grim determination to see it through, cost what it might. At the same time, Italy was severely strained, and the price of Mussolini's victory was the forfeit of vital interests in Central Europe and ultimately the selling of himself body and soul to Hitler. The British Commonwealth was thrown into disharmony; its members could agree on the imposition of sanctions but not on their removal, which South Africa firmly opposed. But the worst consequence of all was the collapse of the collective system. The Democracies were left deeply

divided. The small nations, who had incurred great sacrifices and greater risks by imposing sanctions, were profoundly disillusioned. Belgium went so far as to contract out of her French alliance, believing herself to be safer without any treaty guarantee or association with Great Powers. Henceforward, up to the Second Great War, the Axis Powers were to call the tune to which the Democracies were to dance.

While Great Britain and a half-hearted France were engaged in their quarrel with Italy, Hitler, with his unerring instinct for timing, seized the opportunity to re-occupy the demilitarized Rhineland. This enabled him to build the Siegfried Line and work his will in Central Europe without let or hindrance. France now clamoured for the application of sanctions to Germany. When pressing the French to apply sanctions to Italy, we had insisted upon the principle that the observance of treaty obligations overrode every other consideration, nor would we allow any question of expediency to justify a breach of them. But when France pressed for sanctions against Germany for the violation of the Treaty of Locarno six months later, we argued that expediency comes before principle and that a matter of such importance must be dealt with having regard to the general political situation.

Encouraged by the success in the Rhineland and having secured his Western frontier, Hitler proceeded without further ado to annex Austria in March 1938. Once more the Democracies took no action despite their declaration of February 17th, 1934—to which Italy was also a party—wherein they affirmed their determination to maintain the independence and territorial integrity of Austria. Then came the turn of Czechoslovakia. "Who holds Bohemia is the master of Europe," Bismarck had once remarked. Mr. Chamberlain, however, on September 27th in a broadcast speech said: "A quarrel in a far-away country between people of whom we know nothing . . . If we have to fight it must be on larger issues than that." He had clearly failed to realize that Czechoslovakia held the key position to the mastery of Europe.

France and Russia were bound by Treaty to come to Czechoslovakia's assistance if attacked. On July 12th, 1938, France had reaffirmed this pledge. Under the German threat of war France repudiated it, and together with Great Britain capitulated to Hitler at Munich, thus throwing Czechoslovakia to the wolves. Hitler had by now come to the conclusion, for which he can hardly be blamed, that in no circumstances whatever would the Democracies go to war. Fortified by this conviction he proceeded six months later to overrun the whole of Czechoslovakia in violation of the guarantee signed at Munich by France, Great Britain, Germany, and Italy to respect her new frontiers. The subsequent Declaration of Slovakia's independence, thereby absolving Great Britain from her obligations, may have come as a relief to the British Government, though British inaction probably confirmed Hitler in his conviction that, come what may, Great Britain would never go to war. The German recovery of Memel followed with no more than an expression of British sympathy for the fallen.

For years one British Government after another had preached "no more commitments". The Dominion Governments took up the cry and Dominion public opinion joined in the chorus "no more commitments". When an Eastern Locarno was proposed Great Britain blessed the idea

but declined to participate as she did not wish to become involved in commitments in Eastern Europe. Then suddenly, when faced in that very quarter with the prospects of a second Armageddon as the result of Hitler's designs on Poland, commitments were to be had for the asking. The British Government hurriedly offered to guarantee Poland, Rumania, and Greece against aggression, but at a moment and in circumstances when it was too late to avert war. Hitler certainly did not seek war with Great Britain, but having been led to believe, not without good reason, that the Western Democracies would always capitulate rather than face war, felt convinced to the very last that the Polish crisis would result in another Munich, especially after the German-Russian Pact of Non-Aggression. Why should Great Britain, so he reasoned, come to the assistance of Poland when she had wriggled out of her pledge to Czechoslovakia which was so infinitely more important? In circumstances like these it is hardly surprising that the Führer paid no heed to the warning of the British Ambassador: "Our word is our word and we have never broken it and never will."

It is scarcely to be wondered at that such an exhibition of weakness on the part of British and French statesmanship should, for a while at least, have alienated the sympathies of America towards the Western democracies as well as have destroyed the faith of the smaller states in the sincerity of their professed altruism. The League came to be regarded as an instrument in the hands of the Great Powers for the promotion of their own selfish interests under the cloak of international justice.

When sanctions had to be lifted, the futility of the League as an instrument for the maintenance of peace and the bankruptcy of collective security stood revealed in all their nakedness. It was a shattering blow to the prestige of the League as well as a bitter disillusionment to the British public. It proved to the whole world that collective security was a myth and could never be anything else unless all the Great Powers were members of the League and of one mind.

One cannot help sympathizing with the late Mr. Chamberlain's intention to improve relations with Italy in the interests of world peace which led to the Anglo-Italian Mediterranean Agreement; but the mischief had already been done. Italy had thrown her lot in with the Axis. Nor should we forget that although Italy's action cannot be condoned she was not entirely without provocation. It is, however, none the less deplorable that it should have been possible under the pressure of an uninstructed public opinion for a British Government to be forced to adopt a policy based on high moral principle, only to barter that principle away in the end for political advantages—for this is what the recognition of the King of Italy as Emperor of Abyssinia, one of the conditions of the Mediterranean settlement, implied. This is the worst feature of all in this long list of tragic blunders. How was such an act to be reconciled with the Resolution of the League Assembly of March 11th, 1932: "The Assembly declares that it is incumbent upon the Members of the League of Nations not to recognize any situation, Treaty, or Agreement which may be brought about by means contrary to the Covenant of the League of Nations or of the Paris Pact"?

One is tempted to ask could such a fiasco have occurred under the Government of 1832 when the electorate totalled barely 1,000,000 voters,

or even as late as the days of Lord Salisbury when the conduct of foreign affairs was still in the hands of a small oligarchy, more or less free from public interference? Today the electorate numbers 31,000,000 voters to which fact is largely due the growing instability of our foreign policy. We like to think of democracy as the best guarantee against war. The events of 1935 prove that it can be as dangerous as a war-minded autocracy.

In their eagerness for sanctions the instincts of the masses were, morally speaking, as sound as ever. But they failed to appreciate that sanctions, whether economic or military, might lead to war. The British Government was thus brought first to the edge of a precipice, then to an ignominious surrender of principle, and to the worst humiliation that Great Britain has suffered since the Schleswig-Holstein affair of 1864. But, no matter how confused their thinking and erroneous in their conclusions, our belief in the infallibility of the instincts of the people remains unshaken. What these events have shown is that, unless these instincts, however morally sound, can be kept in leash by wise leadership which knows how to temper principle by expediency, they may become perilous in the extreme. The insistence on "the peace that puts an end to peace" in the Italo-Abyssinian crisis can leave no doubt upon this point. There can be no better illustration of how in a democracy irresponsible popular clamour and the exigencies of party considerations can fetter the hands of diplomacy, than the unfortunate concatenation of events which followed the Peace Ballot on the eve of the General Election of 1935.

The plain truth is that Great Britain through military weakness and democratic ignorance was driven into a course of action which, though prompted by high moral principle in the beginning, nevertheless ended by being highly discreditable. In signing the Covenant she accepted commitments which her unilateral disarmament and the will of the people forbade her to implement. While she paid lip service to the high ideals of the League she shrank from fighting for them, which is the only test upon which the League can hope to survive as an instrument of peace. Truly did Plato say: "Democracy is destroyed by its insatiable craving for the object which it divines to be supremely good."

CHAPTER VIII

FINANCE AND DIPLOMACY

"Every loan
Is not a merely speculative hit,
But sets up a nation or upsets a throne."

BYRON.

THIS chapter purports to illustrate how, under modern conditions, finance can become an instrument of policy or a fetter on diplomacy by the uncontrolled exercise of private financial power. We have seen how foreign policy can be deflected from its true course by popular clamour;

we shall now show how in a democracy even a sectional interest can wrest the control of foreign affairs out of the hands of responsible statesmen and diplomatists and escape the notice of the most vigilant observer.

Money has always been a weapon of diplomacy; but it is only in the last century that we have seen a tendency for money-power to become diplomacy's master. In feudal days it was restricted more or less to espionage and bribery—which, as we have seen, were then the accepted practice of diplomacy—and to loans and subsidies between monarchs in the pursuit of political aims. Statesmen and diplomatists were ever at the disposal of the longest purse and the highest bidder. Nor was political blackmail infrequent, as when one Power threatened to join the enemies of another unless monetary satisfaction was received. "*La suprême habilité*," says La Rochefoucauld, "*consiste à connaître le prix des choses*." No potentate, whether emperor, king, prince or pope, could take part in the never-ending struggle for power without the wherewithal to maintain large armies in the field, secure allies or win over opponents to his cause. This inevitably led to extensive borrowing from private sources—the only reservoirs of movable capital—and brought into the diplomatic arena big financial houses such as the Medici of Florence, the Welsers of Hamburg, the Fuggers of Augsburg, and later the Rothschilds of Frankfurt. These magnates could exercise political influence behind the scenes by granting or refusing financial support. Thanks to loans from the Fuggers, Charles V triumphed over Francis I in the contest for the Imperial Crown. Thanks to loans from Cosimo de Medici, whose banking house had branches in no fewer than sixteen European capitals, Edward IV of England was able to maintain his throne in the Wars of the Roses. Until 1815 all financial transactions continued to be matters of negotiation between sovereigns or governments and private financial houses, but the French War Indemnity Loan of 1815, in which many governments participated, opened a new era in international finance, though it was not until after the Crimean War that finance became completely internationalized.

With the advent of the age of international finance its power in every field of human activity became more and more influential, and consequently the scope for its employment as a political weapon enormously extended. It was the accumulation of movable capital which made finance the spearhead of all forms of economic penetration into foreign countries. For the building of railways and public utilities and the development of natural resources capital was needed. It combined material profit with political advantage. As soon as finance became a weapon in the hands of diplomacy for securing political advantages it created dangerous international rivalries.

In this country loans have, as a rule, been left in private hands, almost wholly divorced from political aims. Private houses issued them to foreign governments entirely on their own responsibility. The sole criterion was the merits of the proposition as a safe investment for the public, and no attempt was made to attach political conditions. Loans were made to develop the resources of foreign countries, which in turn helped to expand our trade and increase our prosperity. Our practice was part of the *laissez-faire* system of a country predominantly dependent on world trade.

Other countries have been far more inclined to use finance for political

objectives. Long before the war of 1914 France made her money market subservient to her foreign policy. She made loans to her allies to increase their military power against Germany. Political and not financial considerations lay at the root of these transactions. Germany, too, had developed into an important lending country towards the end of the last century, and adopted much the same practice as France. The conditions of British loans were generally confined to guarantees that the money would be spent for the purposes for which it was intended; the loans of other Powers often stipulated for definite political advantages to the lending country.

After the First Great War financial diplomacy entered upon a new phase. To understand this we must begin by realizing that the economic and financial strength of a country are two different things, though they generally go together. Finance is the agency by which economic values are mobilized. In itself it has no intrinsic value. Economic strength, on the other hand, represents tangible wealth. Finance is to economic life what petrol is to the motor-car: the car is valueless without the petrol, so is the petrol without the car. Thus a financial crisis can paralyse the economic life of a nation, but it cannot destroy its economic wealth. The more primitive the conditions of economic life, the less petrol is needed to keep the machine in motion, and nations thus situated are proportionately less liable to suffer when the tap is turned off. In a highly industrialized modern state, which can only be kept going by enormous concentration of capital, economic paralysis sets in as soon as the petrol flow is checked. When the internal supply of capital fails and the credit of a country is low it cannot withstand attacks from outside, and finance therefore can be turned into a powerful diplomatic weapon for exploiting such situations for political ends.

The aftermath of the First Great War provided opportunity for a new experiment in the art of financial diplomacy. Enormous public debts and heavy expenditure had undermined the currencies of a large number of states. Even those which were economically strong were not immune from attack. The political situation was tense, the financial situation in some cases desperate, and although, in the earlier stages of this critical period, it is highly improbable that anything like a deliberate war with financial weapons had entered the head of any statesman, the course of events was very soon to show that finance could be a weapon of diplomacy more powerful for good or evil than it had ever been before.

Attacks on an adversary's gold reserves or currency by the wholesale counterfeiting of notes and other fraudulent devices was not unknown. The post-war period was to present opportunities for legitimate manipulation, without the necessity of having recourse to the underhand methods of the forger. The gold war which broke out in what may be suitably termed the reparations period, must be regarded as a new phenomenon in the history of diplomacy. The circumstances were, of course, abnormal, but, having once occurred, there can be no guarantee that similar opportunities for the exercise of this new technique of financial diplomacy may not present themselves after the Second Great War in some new combinations.

At the root of the matter lay the opposite political aims of the Anglo-

Saxon Powers and France on reparations and war debts. The aim of the British and American Governments was the economic rehabilitation of Germany, as essential to the political stability of Europe. France, on the other hand, regarded reparations, fixed at a figure well above Germany's capacity to pay, as the most effective way of keeping Germany permanently in a state of subjection. By the end of 1926 reparations were virtually the only means by which France could restrain Germany. But the weapon was robbed of its efficacy because the Anglo-Saxon nations were bolstering up Germany by means of loans and credits which were spent on internal improvements. With these loans the financial war opens.

In normal circumstances the gold reserves of all the great financial centres exist only to adjust trade balances between nations and to back currencies. Those countries which sell more than they buy receive the difference in gold. Gold thus flows backwards and forwards between the different centres, more or less automatically, according as this or that country has a balance to adjust. By this system the transfer of gold was in practice much restricted.

Reparations and war debts, involving the transfer of unprecedentedly large sums, not only destroyed the system as an automatic regulator for the adjustment of international trade balances, but also upset the equilibrium of gold reserves. Some countries became glutted with gold, while others went dry. This disequilibrium lent itself to the manipulation of gold movements for the purpose of exerting political pressure. It was an abnormal situation in which the markets for free gold—especially London—were at the mercy of those Powers who had accumulated vast gold reserves. The temptation to use this power in the furtherance of political ends was very great. A strict inquiry into the politico-financial activities of some States at this period would undoubtedly reveal the fact that this opportunity for exercising financial pressure for that purpose had not escaped their attention. It was noticed that whenever British policy was at variance with certain Powers heavy withdrawals of gold from London would follow, and that as soon as relations improved these would cease. This can hardly have been wholly accidental, nor is it likely to have been due to private anxieties or speculation.

If an agreement could have been reached for a better distribution of the world's gold supplies in 1930 or 1931, some of the worst effects of the great economic depression with all its disastrous political consequences might have been avoided, but the sterilization of such a vast amount of gold in the vaults of one or two National Banks accentuated the fall in the international price-level, thereby throwing the world economy into confusion.

The collapse of the famous Austrian Kredit-Anstalt Bank in May 1931 was the prelude to a crisis which was to affect the whole financial world. Its immediate effect was to produce a profound distrust of Europe's financial stability among American bankers. These now began to call in their short-term loans to Germany, the proceeds of which had been spent on industrial and other improvements, and had therefore become frozen. To prevent repudiation or collapse the Reichsbank had to part with a huge amount of gold, thus greatly aggravating the international monetary situation by precipitating still further the flight of capital from Germany when a run on the banks had already begun in May 1931.

The gold position of the Bank of England had now become very weak, and the withdrawal of London balances began. The British stronghold became seriously shaken. There followed a succession of Conferences at Basle, Paris and London to try to avoid an immediate financial collapse. The task of finding a solution was handed backwards and forwards between the financiers and politicians without any result. The position of London, with her heavy frozen commitments, amounting in Germany alone to nearly £100,000,000, and the precarious position of some of the leading acceptance-houses now became generally known on the Continent.

The French banks took the lead in withdrawing their balances from London. Between July and September they had withdrawn between forty and fifty million pounds. The collapse of sterling, however, was not in the interests of French policy, and there is nothing to show that the Bank of France, or the French Government, were directly involved, but unless the movement were checked it would certainly end in driving London off gold. The London gold reserve fell to £130,000,000, and not until the end of July did France begin to realize how critical the position had become for herself. As soon as the French sterling investments were in danger the Bank of France hastened to offer assistance to the Bank of England, but this eleventh-hour help served only to emphasize the dependence of London on Paris.

A Franco-American credit of £50,000,000 was hastily arranged, but since the amount still liable to be withdrawn was not less than £50,000,000, this was hardly likely to restore confidence. The flight from sterling, therefore, continued.

In London it was not long before the stern realities began to assert themselves. In a few weeks the £50,000,000 credit was exhausted; a second loan had to be negotiated for £80,000,000 on exceedingly onerous terms. Still the flight of gold continued. Sterling was not to be saved without further financial assistance. The situation was becoming impossible. On September 20th, 1931, the Bank of England announced the departure from the Gold Standard. This apparent disaster soon proved to be a great economic benefit to Great Britain and the balance of advantage shifted away from those countries who were glutted with gold.

However, the point of particular interest from the point of view of diplomacy is that behind the financial manœuvring there were political motives arising out of divergencies of policy and that the abnormal circumstances due to the temporary disequilibrium of the world's distribution of gold were exploited for political ends. Finance was made an instrument of policy to a degree and in a manner hitherto unknown. A new technique appeared—that of financial diplomacy. Finance, when co-ordinated with policy, becomes a weapon of diplomacy. As such, of course, it cannot be described as a fetter.

But there is another aspect, that of high finance in the hands of irresponsible private individuals or enterprise. The power for good or evil of this is immense. When we come to examine the British financial activities and the attitude of the British Government towards them during the post-war period we cannot but feel puzzled. How was it that vast sums of British money came to be loaned to a bankrupt Germany? Was it not asking for trouble—not only financial but political as well? Were

these loans not almost certain to become frozen and thus increase the vulnerability of our own financial position? Mr. Montagu Norman has supplied us with the answer. He has admitted that many foreign concerns (mostly German) had been able "to borrow on short-term credit sums which, had the various lenders all been aware of it, would have been quite out of the question."¹ In the political game of beggar-my-neighbour which had been going on behind the scenes, the activities of financiers sometimes amounted to acts of high policy contrary to the national interest. The control of foreign policy is lost when its course is determined by financiers rather than by the Government. If Mr. Norman's statement has been correctly reported, we are left with the disquieting reflection that if there had been co-ordination between British finance and British foreign policy in the first instance, to be followed by international agreement, the resurgence of Germany as the greatest military power would, at least, have been impeded, if not entirely prevented. In five years after Locarno, £1,500,000,000 of foreign money had poured into Germany from foreign sources without let or hindrance, only to swell German rearmament.

When an attempt had to be made to save the financial interests of British investors during the Kredit-Anstalt crisis, the Bank of England, acting on its own responsibility, lent Austria £5,000,000 regardless of the possible political repercussions. It was a political act of the first importance. And it met with popular approval, though it was contrary to our political interests.

Although we resisted departure from the Gold Standard to the very last, we subsequently claimed it as proof of our astuteness. But for the abnormal circumstances it would have been unthinkable for a country like Great Britain, possessing some £3,500,000,000 of foreign investments, to be forced off the Gold Standard.

And why did we not decide to suspend the Gold Standard earlier, when the political and financial consequences of it were so easily predictable? First, because, owing to the lack of co-ordination between finance and foreign policy, the political significance of the moves in the political financial game were as little understood by the financial world as the financial implications were by the politicians.

The methods employed by Germany to be rid of reparations showed complete co-ordination between policy and finance. She had a large measure of success. Stresemann is credited with having been the originator of the policy to encourage large-scale borrowing from America and Britain by German industrial concerns and municipalities, the object being to interest as large a number of American and British bondholders as possible in the financial stability of Germany. With this support the Germans would be able to threaten that unless reparations were remitted these loans and credits would be in jeopardy. Though America was, herself, not interested in reparations, the Germans angled for and caught 300,000 American bondholders. British investors, though to a lesser extent, also fell into the trap. "International financiers and millions of investors all over the world acquired a substantial vested interest in Germany's welfare."² Hence much of

¹ *Inside Europe*, J. Gunther.

² *Appeasement Before, During and After the War*, Paul Einzig.

the clamour for the policy of appeasement which in the end proved so disastrous. Reparations had finally to be cancelled in 1932, largely as the result of the financial crisis which had been caused by the sudden calling in of the short-term loans and credits made to Germany.

There are other good instances of finance crossing the path of high policy. Just as the City of London helped to finance German rearmament so it also came to the assistance of Japan. In the same week that the British Government began to build the defences of Singapore at a cost of £20,000,000, the City made a loan of £25,000,000 to Japan for her Navy. The Crisp loan to China in 1912 in defiance of the International Consortium policy, and the Rickett's attempt to secure a monopolistic concession in Abyssinia at the height of the Italo-Abyssinian crisis provide further illustrations of how embarrassing to Government such independent action on the part of private financial interests can be.

These episodes show clearly how, owing to the lack of proper co-ordination between finance and diplomacy, the course of high policy can be deflected by irresponsible outside forces which statesmen cannot control. Only in democracies, where private finance is free to act as it pleases, is such a thing possible. Is it conceivable that any authoritarian Government would have allowed themselves to be duped or their policy thwarted by private interests? Had the reckless lending to Germany not taken place, there would have been no frozen credits and no financial crisis; Great Britain would have remained impervious to all attacks on her gold reserves and she would not have been an impotent onlooker, while the political situation was steadily deteriorating to her disadvantage.

Admittedly the circumstances were abnormal; but we live in an age of abnormality, and after the Second Great War who knows but that some new phenomena may not arise in the financial field which can be dealt with satisfactorily only if there is close co-ordination between finance and foreign policy. The lack of such co-ordination is a heavy fetter upon diplomacy.

CHAPTER IX

THE SO-CALLED IDEOLOGIES AND DEMOCRACY

"Il n'y a que deux espèces d'hommes en Europe, ceux qui servent la tyrannie et ceux qui savent la haine."

MADAME DE STAËL.

THE first half of the present century will probably come to be known in history as the age of clashing ideologies which culminated in war. To prevent a repetition of such conflict is now the chief concern of our policy and of our diplomacy. It is therefore of paramount importance that we should understand the true nature of the so-called ideologies and the problems which underlie them. These problems will still confront us after the war, and unless we can find a solution for them our efforts will not only fail, but what is worse, pave the way for a third world war.

What do we understand by the term ideology? It can perhaps best

be defined as a political creed embodying ideals, good or bad, the realization of which its devotees are taught to believe is essential for the salvation of mankind. The Marxian philosophy was certainly genuine in this respect, for world revolution aimed at the welfare of the masses. Fascism in the earlier stages of its development was not altogether dissimilar. But can this be truly said of Nazism? Indeed, does this definition apply to any of the so-called ideologies in their present state of development?

There is one important peculiarity which is common to all true ideologies, including democracy, and that is the conviction held by each that its own particular brand is the only panacea for all the social and economic ills which afflict the world today. That is why rival ideologies cannot exist side by side without coming into conflict with one another. Despite this very obvious fact, some of our politicians fondly imagined, almost to the very last, that the lamb and the wolf could lie down together in perfect peace and amity. In actual fact the so-called ideologies, especially those of our enemies, are not so much political philosophies as national policies, for whatever ideological content they may have is strictly subordinated to purely materialistic aims.

Even before the First Great War, but more especially in the between-war period, vital changes of world-wide importance were taking place in the social and economic structures of many states and more particularly of the great industrialized Powers. The tragedy is that their revolutionary character and political significance seem, for lack of the necessary machinery for diagnosis, to have passed unheeded by all Foreign Offices, thus depriving diplomacy of what chances it may have had to divert these revolutionary forces into evolutionary channels. By the turn of the 20th century, in the more advanced industrial states, collectivism was rapidly supplanting individualism. The process was at first the work of the captains of industry and finance. It was dictated solely by the need for economy and efficiency in the face of the ever-growing intensity of the international competitive struggle. In the case of Germany it gradually assumed an ever-increasing monopolistic character and developed an urge for economic expansion beyond the national frontiers. As this process of national economic integration grew, so it took on more and more a political complexion. But in the beginning it was essentially economic in outlook and was wholly devoid of political aim.

With the advent of the ideologies the process of integration was carried a big step further and beyond the economic sphere. It came to embrace the spiritual, cultural, and political life of the whole nation, suppressing the liberties of the people and destroying all liberal institutions. The ideologies became systems of tyranny and oppression such as the world had never before seen. This regimentation of all national effort for the sake of supreme efficiency at the price of the enslavement of the people has come to be known as totalitarianism. We associate totalitarianism with dictatorship because its very essence implies singleness of purpose and the elimination of divided counsels. But we must not confound totalitarianism with ideology, for they are not synonymous terms. Totalitarianism is merely the means for securing the maximum national efficiency in the service of ideological aims.

When we come to examine those aims we very soon discover that in the case of Nazism and Fascism the ideology resolves itself into an

elaborate device invented by dictators for exploiting the credulity of the masses, and for coaxing them into implicit obedience to their wills thus securing the utmost popular support for their nefarious purposes. Hence the *Herrenvolk* idea and the substitution of a German God for Christianity, the racial superiority myth than which nothing could be better calculated to fire the imagination and kindle fanaticism in youth which the dictators rightly judged as essential to the maximum national effort for the satisfaction of their personal megalomania. Hitler knew well enough the potency of organized German emotionalism. Mysticism, the more nebulous the better, appeals to something deep in the German soul. We see this in the worship of German mythology, of Wagnerian opera and the *Niebelungenlied*.

Ideologies are born of discontent. They come and go, or modify their aims, with changing fortune, but the materialism of national policies remains. It is with this we have to deal because it is fundamental. We need not therefore concern ourselves over-much with the ideological dross of warring creeds but consider them simply as policies of the more pronounced type of nationalism arising largely, if not principally, out of social and economic conditions which have their roots deep in the trend of modern developments. It is in this light that we must approach the so-called ideologies.

Two points we must bear prominently in mind. First, as stated above, that totalitarianism is not ideology but merely the instrument of it, and secondly that totalitarianism goes far beyond economic collectivism and extends its sway to the spiritual and cultural life of the nation, thus being utterly destructive of all liberty. It is for that reason that it is abhorred by the Democracies.

Let us now examine the nature of the ground upon which the architects of peace will have to erect the new European edifice. We will take the ideologies in their order of time and begin with Bolshevism, the first to challenge the old order.

(a) BOLSHEVISM

"Ce peuple possède des réserves de vertu nationale à étonner le monde."
MADAME DE STAEL.

The first blow at the very foundations of the social and economic structure of the old capitalistic order was struck in Russia. It was the product of intense dissatisfaction at the corruption, oppression, and inefficiency of the Tzarist régime, coupled with the widespread devastation and misery caused by the First Great War. Of all the so-called ideologies, the only true one is Bolshevism, since it is an attempt to build up a new order based on the theoretical principles of Karl Marx.

Starting as an out-and-out Social Revolution, Bolshevism sought to destroy the capitalist system by the suppression of private enterprise and by the transfer of the means of production to the state, to create a classless society, and to spread the Marxian ideology to all the corners of the earth. The Russian Revolution, however, has resulted, not in a classless society, but a managerial hierarchy with a corresponding disparity

in the distribution of wealth and in a socialistic dictatorship. Bolshevism has passed through many vicissitudes. From 1917 to 1921 it was Communism bred of war which in the end broke down and split the party. The period between 1921 and 1929 was that of Lenin's new economic policy which re-introduced free markets and conditions opposed to nationalization. With 1929 begins the period of planned economy, wholesale nationalization, and the compulsory collectivization of peasant farming. It is in Russia that the integration of all national effort has reached its highest point. She alone has a complete state-controlled planned economy. She alone has established a complete state monopoly of industry and all foreign trade. Russia has now become the most highly developed totalitarian state in the world. Though the socialistic principle of the greatest good for the greatest number is scarcely compatible with the growing disparity in the existing distribution of wealth, the material welfare of the people has improved beyond all recognition, but they have little or no political power. Furthermore, the régime has proved its capabilities and efficiency in war, the severest test of all. Bolshevism could have no better advertisement than its military achievements. It now rules supreme over a sixth part of the globe and a population of 160,000,000. The aftermath of the Second World War will in all probability change the outlook of millions in the victorious and vanquished states alike in its favour. The Russian Revolution is the most epoch-making event of modern times.

At its inception Bolshevism was international in outlook. Its avowed purpose was the triumph of the proletariat everywhere by means of world revolution. Karl Marx had prophesied that communism could never succeed unless it was world-wide, and that world revolution would originate in one of the great capitalistic states. In this he was mistaken. Revolution came first in Russia, the least capitalized of all the great states, and for the very reason that capitalism was weak there. Lenin regarded the Russian Revolution as a first step towards world revolution, but general disillusionment and, later, the menace of growing Nazi power in Germany forced the Bolsheviks to concentrate on building up their internal strength by collectivizing Russian economy, developing industry and means of transport, and creating a mighty army. For, to be safe against a Nazi attack, communism needed effective military power. So Russian policy assumed an intensely nationalist character. How has Russian foreign policy been affected by these unforeseen developments?

Russia's foreign policy has always hinged on considerations of national defence. It is true that in the early years of Bolshevik power, world revolution took precedence over security, but even then, and as far back as 1919, Lenin had had his eye on national security. According to Mr. S. Davidovich, writing in *The Nineteenth Century and After* (December 1939), Lenin is said to have made the following statement: "The return of Poland, Finland, and the Baltic States can only be a matter of time." The recovery of these lost territories implied no policy of full-fledged imperialism, as is sometimes supposed, but only one of strategic defence. Fear of Germany drove Stalin to seek a rapprochement with the Western Democracies. He joined the League of Nations in 1934, became an ardent supporter of collective security, withdrew support from Com-

unist parties abroad, professed to have democratized Russia, and concluded non-aggression pacts with some dozen neighbouring states. In 1935 Russia made a pact of mutual assistance with France and Czechoslovakia. The outbreak of the Civil War in Spain in 1936 caused Stalin some embarrassment, for it threatened to upset his policy of rapprochement towards the Western Powers. His intervention assumed therefore an anti-Fascist rather than a world-revolutionary complexion. The inability of Great Britain and France, without Hitler's consent, to invite Russia to take part in the discussions at Munich in 1938 and their betrayal of Czechoslovakia brought Russian co-operation with the West to an abrupt end.

When in March 1939 Hitler overran Czechoslovakia in violation of the Munich Agreement, Great Britain and France hastily gave guarantees to Poland and Rumania and sought to bring about a Russian Alliance. But Russia had now turned to Germany with whom she was negotiating a non-aggression pact. It was surely somewhat naïve to have expected that Russia, after she had been cold-shouldered at Munich, would enter into an alliance which virtually meant asking her to accept the brunt of the war against Germany in the East, and to respect the integrity and independence of the Baltic States which she was bent upon recovering. Since Russia had nothing to gain and much to lose by going to war, negotiations were obviously doomed to failure from the outset. One of diplomacy's major problems after the war will be to see that our present good relations as Allies are maintained. Will the Russian colossus bestride Europe or will it withdraw into its traditional isolationism? Will it be too pre-occupied with internal reorganization to co-operate in the reconstruction of Europe?

(b) FASCISM

"The Prince who contributes to the advancement of another power ruins his own. . . A Prince ought never to take the side of a neighbouring State more powerful than himself, because even if he is victorious he is at the mercy of his neighbour."

MACHIAVELLI: *The Prince*.

Mussolini, who always worshipped at the feet of Machiavelli, had evidently not read *The Prince* very carefully. We must begin with what Fascism preached before we turn to what it practised. When we come to the downfall of Fascism and contrast that event with Mussolini's original exaggerated ambitions for the regeneration of Italy we shall find that it was due to other causes than the Duce's ideological outlook.

Unlike Bolshevism, Fascism did not come into existence as a professedly world revolutionary force but as a revolt, largely of the middle class, against the incompetence and weakness of Italian democracy which, it was alleged, had exposed the country to the danger of communism. The march on Rome in 1922 swept away both democracy and what there was of communism. Unlike Bolshevism, Fascism was never strictly speaking an ideology in the sense of putting into practice preconceived ideas, but rather a political experiment. It started its career without even the rudiments of a policy. It was essentially eclectic and empirical. It was

at first unsettled in its principles. The First Great War had caused deep resentment against the materialism which had produced it. Materialism, so the Fascists preached, was the product of individualism and the worst feature of democracy. Fascism professed to regard 19th-century *laissez-faire* as unscientific anarchy and the selfish exploitation of the poor by the rich. In the materialistic outlook of democratic individualism it saw the root of many modern evils and a fundamental fallacy. Democracy, it asserted, conceives the general will of the people to consist in the sum total of individual wills of all its members and, since unanimity is impossible of attainment, majority rule to be the nearest approach to that ideal. Fascism contended that the sum total of individual wills is no more the expression of the will of the people as a whole than the sum total of individual interests represents the national interest as a whole. Under democracy the national will, as expressed by the sum total of individual wills, can only result in the subordination of national to individual interests. In the Democracies it saw the state maintaining a precarious balance of power between many conflicting egoisms which paralyse the action of the state, stultify its initiative, and find expression in erratic, inconsistent, and sporadic policy.¹

Fascism maintained that there could be no progress in social order until an end was put to the conflict of class interests, and that democracy, being too slow-moving and too inert, could never provide the remedy for this internal social evil. According to Fascism, democracy disintegrates society and makes it inorganic. Elections and parties only help to mask reality and to create an atmosphere of make-believe, while in foreign affairs democracy asserts itself only in the presence of imminent danger to meet which it is often wholly unprepared.

Fascism regarded democratic individualism as a 19th-century conception which had outlived its usefulness and was therefore out of harmony with the requirements of the 20th century. Fascism demanded complete unity of all national effort, economic, social, and political, which could only be achieved by the exercise of authority from above and not from below. State action must be based on the clear recognition of the fact that modern problems are beyond the grasp of electorates.

Fascism held that sound policy was only possible if it had its roots in social order. To insure internal peace and efficiency in production all the conflicting elements, trade unionism, capitalism, employers and employed, producers and consumers, became fused into an organic whole under state control and guidance. In consonance with these ideas Fascism instituted the corporative state with its parliamentary representation of the collectivized economic, vocational, and other interests of the country, in lieu of the old democratic principle based on territorial constituencies and the suffrage. The corporative idea is not new, for it is to be found in the guild systems of the Middle Ages, but Mussolini was the first to put it into practice as the basic principle in the social organization of a modern state. Italy did not become totalitarian to anything like the same extent as Russia or even Germany. Being mainly an agricultural state and less industrialized than either, Italy has not the same scope for the development of a large planned economy. Her industry is chiefly occupied in

¹*Fascism*, J. S. Barnes.

the lighter trades which, unlike the heavy industries of her Teutonic ally, do not lend themselves to thoroughgoing rationalization. Thus, for all her totalitarianism, Italy's economy, on the whole, still remained largely planless. It was uneconomic in that Fascism aimed less at plenty than at social justice. In the Italian view, Fascism was merely an improved democracy, better organized and disciplined.

Whereas Bolshevism aimed at a classless society, the suppression of private enterprise, and the nationalization of the means of production, Fascism, on the contrary, did not destroy class distinction but sought rather to strengthen all strata of society so that each should play its part in the general scheme of things with greater efficiency. Fascism maintained that private initiative was essential to economic progress. But if it did not destroy capitalism and nationalize the means of production it insisted that under modern conditions complete economic and political freedom was no longer compatible with the public interest and that therefore state control was indispensable in order to co-ordinate and regulate the whole economic life of the country so as to prevent it, in the interests of social justice and national efficiency, from developing in undesirable directions. Mussolini did not destroy the Monarchy, the Church, the Army or the Civil Service or any other national institutions, but he endeavoured to integrate them all into a coherent system of a planned society with equal opportunity for all, though he insisted upon the complete subordination of private interests to the exigencies of the State. Above all, Fascism aimed at promoting harmony between employers and employed by the corporative system, which ostensibly placed the workers on an equal footing with the employers.

Mussolini rejected the idea of the universal state, but, though he was not at first world-revolutionary, he soon came to believe that the salvation of Western civilization was more likely to be achieved by the spread of Fascist principles than by any other means. He professed to aim at international co-operation, but not by the surrender of national sovereignty and the suppression of national characteristics. He thought a higher unity might be achieved not by breaking down national barriers but by strengthening the more highly developed national entities on Fascist lines. The ultimate objective was planning on an international scale without loss of political identity.

That is what Fascism preached. What of its practice?

Fascism may have hit upon some of the weak spots of democracy, but these pale into insignificance compared with the heinous system of despotism, oppression, and corruption into which it finally developed. In the early days of Fascism Mussolini may have meant what he said, but dictators are liable to stray from the straight path. Democracy in Italy had certainly not proved a success. Much of the idealism of the original Fascist movement was merely the expression of a generally felt dissatisfaction at the existing state of affairs. Like all revolutions Fascism started with bloodshed, violence, and the ruthless suppression of all that was opposed to it, such as trade unionism, the liberty of the Press, and of speech. Though murder and castor oil became the order of the day, these excesses were fewer than in Nazi Germany.

But once all opposition was overcome the nation as a whole loyally accepted the régime. Indeed it became universally popular. Nor can

it be denied that in the early days of Fascism there was much which stood to its credit, such as land reclamation, the stamping out of malaria, improved public services, the development of hydro-electric power, public works, more intensive cultivation in agriculture, and the suppression of class warfare by the prohibition of strikes and lock-outs in industry, for Fascism regarded social peace as the foundation of all prosperity. In short, improvements were in evidence in many directions and not least in the new sense of order and discipline which it infused into the *dolce far niente* character of the Italians. If Fascism had confined itself to the internal regeneration of Italy without becoming a police-ridden State, it might have contributed something of permanent value to political science, but this was not to be.

Before passing final judgment on Fascism we must draw a sharp distinction between its economic and political aspects. We condemn it, and rightly, for its suppression of spiritual and political liberty, for its spy-ridden, tyrannical, and ruthless dictatorship, honeycombed with graft and corruption, and for its gangsterism. In these respects Fascism was beyond question an unmitigated evil. The régime has now mercifully come to an end. But are we altogether on safe ground in equally condemning all the economic principles with which Fascism started its career? Are not some of those principles likely to survive under other names? That is a question worth examining, for it has an important bearing on our own post-war problems both at home and abroad. It is not that Fascist principles are necessarily at fault. It is dictatorship which lay at the root of all the evil. Fascism did not lead to dictatorship. Rather was it imposed on Italy by a dictator already in power.

Now the trend in Britain is towards a system which provides a compromise between the socialistic aim of complete state control and individualistic capitalism and this is precisely what Fascism sought to achieve. In that respect Fascism comes nearer to the British spirit of compromise than Russian Socialism.

Why did Fascism not only fall so far short of its lofty and ultra-modern idealism but actually degenerate into one of the worst forms of tyranny and gangsterism? The answer is to be found not necessarily in any inherent unsoundness of its theoretical conceptions, for the corporative system was strangled at birth by the Abyssinian adventure and had not really been tried out, but in the character and personality of Mussolini. Fascism came to grief because it floundered, because the Italians are the last people in the world likely to make a success of such a system, and because Mussolini the statesman (he was the author of the Four Power Pact, the one sensible proposal for the pacification of Europe during the between-war period) was at heart always the gangster. Whatever responsibility Mussolini's megalomania may bear, it is not Fascism as a creed, but Italy's traditional foreign policy which, greatly stimulated by Mussolini's grandiose idea of a resuscitated Roman Empire, plunged her into war and finally brought her to ruin.

Fascism did not impart a new orientation to Italian foreign policy, which had remained constant ever since Italy achieved her unity in 1870. United Italy's chief ambition has always been to become not only a Great Power but the dominant Power in the Mediterranean. Having regard to her geographical position, her past history, her economic needs, and

her natural sphere of interest, that aspiration is perhaps intelligible despite the fact that she does not possess the necessary qualifications to fit her for Imperial rule. Like Germany, she was a late-comer in the scramble for colonies. Poor in natural resources, she too had come to feel the effects of the growth of economic nationalism everywhere, and more especially of America's immigration laws. Her people, though hard-working, are volatile and unwarlike. She could never achieve her purpose without the assistance of powerful allies. Her weakness required that she should constantly be on the alert to exploit every favourable opportunity that might further her expansionist aims. Hence those frequent changes in her political loyalties, first to this and then to that combination of Powers, according as the circumstances of the moment dictated. She could hope for nothing unless she played the part of the jackal to some larger beast of prey.

During the first decade of her unity Italy had to watch with folded arms the Ottoman Empire disintegrate and the advantages therefrom go to others. In 1882 she joined the Triple Alliance, thus strengthening her position in her dealings with France, the Power which above all others stood in the path of her ambitions. Between 1882 and 1914 she had acquired Eritrea, Cyrenaica, Tripoli, and the Dodecanese, but in 1896 she had suffered a heavy defeat at Adowa at the hands of the Abyssinians. In 1915 she deserted the Triple Alliance and threw in her lot with the Allies, who, under the Treaty of London, undertook to give her Trieste, Trentino, and Dalmatia. Further, as we have seen, she was to have had "equitable compensation" if France and Britain were to annex any German colonies or Turkish territory. Italy received Trieste, the Trentino, and South Tyrol, but while France and Britain parcelled out among themselves under mandates the German colonies, as well as Syria, Palestine, Trans-Jordania, and Iraq, all Italy got was Jubaland from Britain in 1925, France declining to cede a single inch of territory. Italy never forgave the Allies for this.

The between-war period produced a new constellation in the balance of power, and Italy, in fear of political isolation, began once more to look round for profitable alliances. Germany lay prostrate and powerless, France was hostile, Great Britain indifferent, and so she started to flirt with Bolshevik Russia, who at that time favoured treaty revision in the hope of finding some support against the *status quo* attitude of the Western democracies. But with the growing menace of Nazism Russia turned towards France. Hypnotized by the growing military might of Nazism, resentful of the Allies' broken promises, and stung to the quick by the sanctions policy, Mussolini now veered round to Germany. The rapprochement which began in 1936 developed speedily, largely as a consequence of a close co-operation during the Civil War in Spain, into a full alliance in 1939. When the Second Great War broke out Italy at first sat on the fence which she called a state of non-belligerency, waiting to see which way the cat would jump. She joined the anti-Comintern pact, but when the collapse of France came in 1940 it seemed to Mussolini to be the psychological moment to stab her in the back, and so he declared war on France and on her ally, Great Britain.

The traditional friendship between Italy and Britain seems to have blinded British statesmen to the fact that the Italian ambition to domi-

nate the Mediterranean was always lurking in the background, and that so soon as Italy, with the assistance of a powerful ally, felt herself strong enough to realize that dream, war would inevitably ensue. That much was always crystal clear from the first, and therefore British policy should have been particularly careful to abstain from any action likely to throw Italy into the arms of so hostile and powerful an ally as Germany, with whose aid she might be tempted to venture what she would never have dared to do alone.

Mussolini was always first and foremost essentially nationalist and Fascist afterwards. And so it was not long before he turned from the regeneration of Italy to foreign adventure. The change began with the growth of militarism and rank imperialism. Mussolini, who had begun by denouncing the materialism of democracy, ended by adopting the most material of all policies, that of the gangster. The ill-advised Abyssinian and Albanian ventures followed and threw Fascism out of gear.

Thus it is not Fascism as a system but the traditional aims of Italian foreign policy which are responsible for Italy coming into the war. Fascism or no Fascism, Mussolini or no Mussolini, Italy would probably still have gone to war on the first favourable opportunity, as she did against Turkey in 1911 and against the Central Powers in 1915 while she was still a democracy. Fascism may have whetted her predatory appetite but it certainly did not originate it. Ciano is credited with having said that the reason "why Mussolini plunged the dagger into the back of falling France was because he dreamed himself already among the Caesars and thought that such a chance could not occur again in 5000 years".¹ Would a democratic Italy have resisted that temptation any more than she did in 1915?

Though the régime has now happily been destroyed, Fascism will always remain interesting as a pioneering experiment in an age of transition from an old to a new order, ill-starred though it was. Once it became affiliated with Nazism it was doomed to perdition, and whatever virtue it may originally have had, it became completely discredited and rightly condemned as a régime of unmitigated evil.

(c) NAZISM

"Thy terribleness hath deceived thee and the pride of thine heart. Oh, thou that dwellest in the clefts of the rock, that holdest the height of the hill; though thou shouldest make thy nest as high as the eagle I will bring thee down from thence saith the Lord."

Jeremiah xl ix, 16.

It is to be hoped that Hitler's mountain eyrie at Berchtesgaden will be destroyed after the war lest it become a shrine for Nazi pilgrimage.

If the aim of British diplomacy, as of the United Nations, is to find a panacea for the ills of Europe, the first essential is to understand the German problem which is central. We must take stock of Germany's historical development; we must examine the foundations of her military and economic power; we must try to understand her aspirations and distinguish between those which are legitimate and those which are not.

¹ Mr. Churchill's speech at Quebec, August 31st, 1943.

Though indisputably Germany has been the most disturbing element in Europe for nearly a century, the conscientious historian would be bound to qualify the assertion, so often made, that the Germans at all times have had a kind of monopoly of aggressiveness. A careful study of their history for the last three centuries will show that though they are by nature aggressive, arrogant, overbearing, ruthless, brutal, and above all, lacking humanity, they have, as a nation on the whole, been neither more nor less aggressive than many other great nations.

For three centuries the fate of Europe was centred round the struggle between France and Germany for predominance on the Continent. The first part of this period was characterized by French, not German, aggression, and Franco-German wars were fought out on German soil. From the Treaty of Westphalia in 1648 right up to the Second Empire the policy of France was to dominate Central Europe and hold Germany in a state of disunion and subjection. Both under Marlborough and Wellington, Britain fought on her side. Had France succeeded and been less preoccupied in Europe, it is doubtful whether Britain could have built up her overseas Empire. It is true that Frederick the Great attacked Silesia. It is true that he started the Seven Years' War. It is true that he proposed the first partition of Poland. But modern historical research goes to show that these acts of aggression were not wholly unjustified. As regards Silesia, Austria had undertaken by treaty in 1726 and 1728 to help the Elector of Brandenburg in the acquisition of the provinces of Jülich and Berg, but this promise had never been fulfilled. The Silesian Duchies of Liegnitz, of Brieg, of Wohlan and Jägersdorf—the so-called Silesian heritages—rightfully belonged to the Elector of Brandenburg, but had been filched by Austria¹ in the Thirty Years' War. The former had never been able to recover them. "It must be admitted," said one historian, "that Frederick's technical justification was very strong."² Frederick was everywhere "received with acclamation by the inhabitants who hailed him as a deliverer."³ Moreover, it was on strong British advice that Maria Theresa finally ceded Silesia with the county of Glatz to Prussia. Frederick started the Seven Years' War in order to forestall an impending attack by the combined forces of Austria, Russia, France, Saxony, Sweden, Bavaria and Wurtemburg, which would probably have annihilated him. His only hope was to destroy his enemies one by one. It was essentially a preventive war.

The first partition of Poland was "not an act of ruthless aggression but a solution forced upon Frederick by circumstances".⁴ The one thing he dreaded was a common frontier with Russia in close proximity to Berlin. That Catherine II of Russia had designs on Poland was well known to him. "All that can be justly said is that faced by the alternatives, annexation by Russia or partition, Frederick chose the latter and skilfully manœuvred to bring it about."⁵ Though he succeeded in wiping out the "Corridor," for him a most important objective, he received by far the smallest slice without Danzig or Thorn, only 34,000 square kilometres with nearly half a million inhabitants as against Russia's share of 108,000 square kilometres with 2,000,000 inhabitants and

¹ *Frederick the Great*, Thomas Carlyle.

² Mr. J. W. Rolleston. See *Frederick the Great*, by F. S. P. Veale.

³ *Frederick the Great*, F. S. P. Veale. ⁴ *Op. cit.* ⁵ *Op. cit.*

Austria's share of 70,000 square kilometres with two and three quarter million inhabitants.¹ "None of the contemporaries of the first partition of Poland seems to have regarded it unfavourably either from the political or moral point of view. No event in all history has been more completely and deliberately misrepresented."²

The second partition of Poland took place in 1793 after Frederick's death. Russia and Prussia acting jointly but on the initiation of the former. In 1794 Russia invaded Poland to suppress an insurrection and the third partition followed, Prussia receiving territory as far as the Niemen, the rest going to Russia and Austria. Napoleon formed Poland into the Duchy of Warsaw and united it with Saxony. The Congress of Vienna in 1814 awarded Posen to Prussia and confirmed what she had gained at the first partition.³ Although Prussia always had her eye on Poland it was largely to prevent Russia from absorbing the whole, and she certainly was not the chief aggressor.

At home Frederick's rule was exceptionally mild compared with the standards of other countries. He encouraged science, the arts, and education—granted liberty of speech, freedom of the Press, religious toleration and equality before the law. Only in the army was an iron discipline maintained. It was no worse than that which existed in the British Navy. If Frederick-William I laid the foundations of German militarism which has become the scourge of modern Europe, it was his son, Frederick, who first set the German war machine in motion. With the exception of Frederick's attack on Silesia, the Seven Years' War and the partitions of Poland, there is no instance of German aggression until Bismarck's onslaught on Denmark in 1864, on Hanover and on Austria in 1866, and on France in 1870. Prussia declined to join Russia and Austria against Napoleon in 1805. She also refused to participate in the Crimean War against Russia.

German militarism owes its origin partly to the traditions of the Teutonic Knights who were the ancestors of the Prussian aristocracy, but primarily to Prussia's geographical position and political environment. The insecurity of her open frontiers and the presence of immensely powerful hostile neighbours made the growth of militarism, with all its accompanying evils—regimentation and the suppression of the liberty of the subject and of independent political thought—inescapable in the interests of national defence. "The Kurfurst's Dominions, a long straggling country, reaching from Memel to Wesel could hardly keep out of the way of any war that might arise,"⁴ says Carlyle.

Frederick's Prussia was very aptly described by Mirabeau as "not a country with an army but an army with a country". So it came that the people developed those qualities of discipline, of unquestioning obedience to authority and of self-sacrifice without which Prussia could hardly have survived. But the price the Germans have since had to pay for military efficiency is political immaturity with all its catastrophic consequences. That is the reason why the Germans have such infinite capacity for self-deception and gullibility;

¹ *Frederick the Great*, F. S. P. Veale.
² *Slavonic Europe*, R. Nisbet Bain, p. 396.
³ *Encyclopaedia Britannica*.
⁴ *Frederick the Great*, Thomas Carlyle.

that is why they shirk political responsibility; that is why they are so malleable in the hands of unscrupulous dictators; that is why they make bad masters but excellent slaves; and that is why their very docility is a constant menace to the peace of Europe. It is in these unfortunate circumstances that the ruthless German barbarism from which the world is suffering today was born. Given such conditions it may be doubted whether any people in the world would not have developed similar characteristics.

Not until we come to the Bismarckian period can we begin to speak of real German aggression in the modern sense. Even here we must distinguish between wanton aggression and aggression for legitimate aspirations which cannot be realized by any other means. Was German unity a legitimate aspiration? If so, could it have been realized without the wars against Denmark in 1864, against Austria in 1866, and against France in 1870? The answer can hardly be in doubt. That Bismarck deliberately engineered those wars with diabolical ingenuity because he was convinced that German unity could be achieved in no other way is unquestionable. Liberalism was still strong in Germany, even in Prussia. The fact that Prussia was militarily wholly unprepared, that an efficient army had to be created in defiance of a parliamentary opposition supported by an overwhelming electoral majority, that Bismarck never dared disclose his intentions either to his sovereign or the Prussian people and, above all, that it has always been found necessary to persuade the German people that they were being called upon to wage a defensive war—do not betoken a bellicose attitude of mind on their part but rather docility and blind obedience to authority whether inspired by good or bad motives. German unity, at least according to the ideas of the day, was certainly a legitimate aspiration. We gave Italian unity our blessing. In the case of Germany, however, it was forced upon a reluctant and politically ignorant people by the far-sighted though high-handed statesmanship of Bismarck. Contrary to his intentions, it launched Germany on her career of conquest, for the power, wealth and prosperity which ensued in the end not only convinced the Germans that his policy was a wise one after all but also, unfortunately, that war can be profitable. It was in the hope of even greater results that the German people allowed themselves to be dragged into war by the militarists in 1914 and by Hitler in 1939. What makes the Germans so dangerous, is not so much an innate love of war as their docility to aggressively minded leadership. German militarism, an artificial product, has indeed proved a misfortune to the world, but could German unity ever have been achieved except by force and under the leadership of Prussia? Could the German Empire of 1870 have been created under a democratic system? It might have been better for the world if German unity had never come about, but that is an argument against abuse of power and not against the principle of national unity.

But, as for Bismarck himself, though he may have been crafty, ruthless, and unscrupulous in the attainment of his aims, once his object was attained, he became a Pillar of Peace.

We have evidence of Bismarck's moderation in the Emperor William I's proclamation in the Salle des Glaces at Versailles, read by him on January 18th, 1871, which ends with these words:

"May God grant to us and to our successors to the Imperial Crown that we may be the defenders of the German Empire at all times; *not in martial conquests* but in works of peace in the sphere of national prosperity, freedom, and civilization."

Then again, in his opening speech at the First United German Parliament on March 21st, 1871, the Emperor said:

"In former times, Germany, misled by the policy which its ruler adopted from foreign traditions, imbibed the seeds of decay through interference in the life of other nations. The new Empire takes its birth from the self-subsisting spirit which, never taking up arms except for defence, is steadfastly devoted to the works of peace. In its intercourse with foreign nations, Germany demands for her citizens no greater consideration than what justice and civilization involve and, uninfluenced by liking or disliking, leaves it to every nation to find its own way to unity, to every state to determine for itself the form of its constitution. We trust that the days of interference in the life of other nations will never under any pretext or in any form return."

Bismarck remarked to the French Ambassador on May 10th, 1885:

"Germany is entirely content with her relations to her two principal neighbours. She asks for nothing more than to live in peace with them. She has no interest in taking anything from any of them. On the Russian side, we have already too many Poles and we certainly do not want more. On the Austrian side, could we desire to annex the Czechs or the Viennese? Could we aspire to conquests at the expense of France, Belgium or Holland? They would be recalcitrant nations. Looking all round our frontier every gain would be a loss and every increase a cause for weakness."

On January 11th, 1887, Bismarck, in supporting the Army Bill, declared that Germany was a satisfied state.

"We must make greater exertions than other states on account of our position. France and Russia can only be attacked on one front but God has placed us beside the most bellicose and restless nations."¹

Then again, towards the end of his life, Bismarck said:

"Nothing could be more strongly opposed to Germany's interest than to enter upon more or less daring and adventurous enterprises, guided merely by the desire to have a finger in every pie, to flatter the vanity of the nation or to please the ambitions of those who rule it."

Mr. Morrow, in his book *Bismarck*, observes:

"No praise can be too high for him as the maker of the German nation. No censure can be too severe for him for having made that nation after a Prussian fashion."

¹William I and the German Empire, G. Garnett-Smith.

That the spirit of Prussia has, in the end, proved to be the undoing of Germany no sane person can dispute, but it may be questioned whether, without it, Bismarck could have galvanized a reluctant Germany into unity in the face of what he called "the putrid ferment of South German anarchy".

It cannot be said that Bismarck was not true to his word. He was never an Imperialist but only a Nationalist. His often repeated assurance that he was satisfied with Germany's frontiers after 1871 and that Germany was a sated nation were genuine enough. He knew where to draw the line. Hitler did not. But fear of a war of revenge and Germany's open frontiers forced Bismarck, like the Great Frederick, to maintain a large standing army in the interests of national defence, and this could hardly fail to foster the spirit of militarism. It would, of course, be idle to deny that Frederick's ambition was to raise Prussia to the rank of a Great Power by territorial aggrandisement, as was also that of Bismarck, later, to effect the unity of Germany. Both these aims were legitimate so long as they did not lead to the subjugation of alien peoples. To become a Great Power is, after all, the ambition of every nation which deems itself capable of achieving it. Europe had nothing to fear from German militarism after German unity had been achieved and while Bismarck still stood at the helm. Bismarck's Germany was a very different Germany to that we know today. She was still then a civilized nation.

It is with William II that the period of wanton aggression begins. In the early days of his reign such bellicose tendencies as existed were confined to the military cast, such institutions as the Pan-German League and a few, though influential, literary warmongers. Indeed there were popular outbursts of anti-militarism. One of the first indications of a change in the public mind came with Joseph Chamberlain's Tariff Reform movement in 1903 when, fearing its effects, the German industrialists began to join hands with the militarists. Why then was it that a few decades after Bismarck's death Germany threw all his wisdom to the winds and became possessed of that lust for conquest and domination which plunged the world into two great wars? There are two main reasons. First the unhealthily rapid growth of Germany's industrialization backed by military power and her consequent impatience to accelerate the realization of her economic ambitions by victory in the field, and secondly the tendentious character of German political philosophy which taught the worship of war as an end in itself, and which was now freed from Bismarck's restraining hand.

The final product of this combination is Nazism. It is the culmination of a process of German philosophical thought and scientific progress which had been maturing for at least half a century. For generations the German people had been steeped in the heady teachings of Herder, Hegel, Fichte, Arndt, and List, with their unceasing emphasis on the inherent greatness of the German people, their racial and cultural superiority, and the sublime mysticism of their pagan mythology. These writers all harked back to the Golden Age of mediæval Germany. Germany, they pointed out, was an Imperial power under Charlemagne and later under the Hohenstauffens and Habsburgs, long before the rise of England. They stressed certain basic principles: unity in all things,

political, social, economic, and spiritual; the glorification of war as the highest and noblest of all human activities; the worship of the state and the insignificance of the individual. Though but few of these German philosophers were Prussian, they all looked to Prussia as the only German state capable of leadership, for outside Prussia Germany was a vacuum. One of the misfortunes of Germany's tragic history has been the growth of a ruling class wholly materialistic in outlook and lacking all the spiritual resources of the bourgeois intelligenzia to which Germany owes her culture. That is why when Germany was politically weak her culture flourished, and languished when she became strong.¹

Fichte was the first, in the early days of the 19th century, to discern clearly the outlines of the future national socialist state. He predicted a planned economy, complete state control over the nation's economic life, autarchy, the quota system, currency manipulation, restrictions and controls, bartering between governments, the development of substitute materials, the demand for living space, dictatorship, and finally the inevitability of military aggression. Hitler's totalitarian Germany has now fulfilled these predictions. Predatory and expansionist policy, economic and political domination founded on military might—all in the last analysis for the sake of greater wealth—have been the basic theme of German philosophy from Fichte to Hitler.

If the German political writers of the 18th and early 19th centuries blazed the trail, those of Bismarck's time and later, such as Treitschke, Nietzsche, Houston Stewart Chamberlain, Bernhardi, Naumann and a host of lesser literary luminaries were no less eager to carry forward the torch of Pan-Germanism, despite the great Chancellor's warnings. Theirs was the gospel of German frightfulness, of perpetual strife whether in war or peace, without which, they maintained, nothing great could ever be achieved, of ruthlessness, of godlessness, and of rank materialism. No moral law must be allowed to stand in the way of Germany's advancement. It was the apotheosis of the national ego. The rantings of the fire-eaters synchronized with the growth of Germany's economic strength and were therefore all the more effective. Aggressive nationalism became the creed of every German political party, whether Conservative, Liberal, or Socialist. In such an atmosphere of economic pressure and political intolerance, any liberal or democratic tendencies as may have existed when William II came to the throne stood little chance of survival. In 1891 there was formed a Pan-German League, the result of anti-semitic and anti-democratic agitation. These influences arising out of this moral and intellectual ferment were in the end to determine German foreign policy.

German political thought had always been tintured by jealousy and hatred of everything English; growing prosperity and keen commercial rivalry had only served to intensify these passions. For over forty years Treitschke, Nietzsche, Bernhardi, and others had never ceased to din into German minds the iniquity of British world predominance. Great Britain was held up as the robber state, which had succeeded in building up by violence, craft, and perfidy a world empire embracing one-fifth of the richest portions of the globe at a time when Germany was torn by

¹ *The Germans*, Emil Ludwig.

internal dissension or wrapped in metaphysical thought. Germany, on the other hand, was represented as a country hemmed in between the North Sea, the Danubé, the Rhine, and Russia, possessed of unrivalled efficiency and dynamic energy which demanded outlets. Was she for ever to witness year by year the emigration of the best of her sons to foster the interests of foreign countries and thus allow her vital energies to be sapped? Was she for ever to acquiesce in this unequal distribution of the world's wealth? The satisfied nations, notably Britain, had acquired, if not all, at least some of their possessions by conquest. Why then should a halt be called to this time-honoured practice, thereby securing the *beati possidentes* in their ill-gotten gains and condemning the "Have Nots" to poverty for all time? Were the strong for ever to be ruled by the weak? No nation, Hitler has told us, holds an inch of territory by divine right. It is the law of nature and not of man which governs the destiny of nations. In other words, possession lasts only so long as it can be protected. Disregard of this elementary truism has certainly cost us dear. England, the Germans asserted, alone was preventing Germany from obtaining her place in the sun. Britain had now passed her zenith; she was decadent and had lost the will to rule. She was a colossus with feet of clay, and assuredly she would collapse at the first blow of the mighty German sword. So thought the Kaiser; so, too, argued Hitler. It is not difficult to understand all this animosity, for, in truth, England was the chief obstacle to the realization of Germany's predatory ambitions. Overseas Germany could not move without the tacit consent of Britain, and this was galling to her pride. In 1897 the future Chancellor of the German Empire, Michaelis, expressed this feeling in these words: "No German globe-trotter can fail to experience a strong feeling of envy of England. It is something that we can now travel on German ships, but, wherever we cast anchor, at Aden, Colombo, Singapore, Hongkong, Shanghai, who dominates? The Englishman. We have in reality at present on this earth only one opponent, one enemy; that is the Englishman. Wars are now only waged for economic reasons, and it is the Englishman who stands in the way of our economic development. We are overflowing in Germany; we must expand. Wherever we want to go there the Englishman sprawls unashamed in the doorway and bars our passage."

When Germany began to enter the field of international commercial competition after 1871 she found Britain so firmly established in every corner of the globe that in order to get a footing she had to employ the utmost ingenuity in devising ways and means to compete successfully with the earlier comer. That could hardly fail to breed an aggressive spirit towards this country. Greatly aided by the technical progress of the age which was admirably suited to the national genius, the Germans began by concentrating on the scientific organization of production, distribution, and transport. As the result of close interlocking of finance and industry, the formation of cartels for the regulation of prices and assignment of markets and the adoption of an elaborate freight tariff, individual enterprise had by 1914 largely ceased to be a unit in German economy, which was assuming more and more the character of collective trading. The methods employed were legion: loans, subsidies, the creation of overseas banks, technical and other

services, steamship lines, etc. To keep the overheated German industrial machine going full blast needed ever expanding markets, but with the growth of economic nationalism everywhere the only result was overproduction and more and more restricted outlets. Unless the industrial plant could be kept going unemployment and revolution were in the end sure to follow. It is small wonder therefore that all this riotous outburst of concentrated national energy at home and feverish activity abroad for the conquest of markets should result first in an aggressive foreign policy and finally in open conflict. "We are a tree growing in a cleft rock," wrote Paul Rohrbach in 1912. "Either we force the rock apart and continue to grow or the resistance will be too great and we shall wither for want of nourishment." Here we have the background to Germany's aggressive and unstable foreign policy under William II which kept Europe in a perpetual state of nervous tension. It was the basic cause of the First Great War.

So rapid was the growth of Germany's prosperity that, by 1914, her foreign trade was second only to that of Great Britain. What had taken other nations a century to accomplish Germany had compressed into a few decades. But this very rapidity was fatal, for it could end only in one way—war. If Imperial Germany was at first content with industrialization for export it was not long before the German octopus began to put forth its tentacles with a view to the economic subjugation of other nations. What at first merely aimed at capturing markets now developed into an organized attempt at political and economic stranglehold. It was the process which came to be known as peaceful penetration.

The policy known as *Drang nach Osten* envisaged the creation of a German hegemony over the Danubian basin, the Ukraine, and Poland, embracing by far the richest part of Europe's economic resources. "Don't you think," said Lord Beaconsfield to Bismarck at the Congress of Berlin in 1878, while looking over a map of the Balkans, "that there is a fine field for colonization here too?" The latter looked at him and made no reply.¹ Can it be that the policy owes something to British inspiration?

If Germany could control Europe's chief production, it was thought that she could dominate the Continent politically. If she could dominate Europe, she could obtain control of the Continent's sources of raw material, space for surplus population, and scope for capital investment. She could then dominate the world. Financiers, industrialists, and statesmen made this their policy.

Why did Germany after her collapse in 1918 fail to learn her lesson and once more embark upon a career of conquest? Because, apart from the desire for revenge and domination, the causes of the First Great War had not only not been removed but had been allowed to develop still further. Germany's economic structure had been left virtually intact and her productive capacity had enormously increased in the interval between the two wars while the evil of economic nationalism had become intensified and was progressively blocking her outlets still further. Germany was of course not the only sufferer from the growth of economic nationalism. So long as eighty per cent of Germany's productive capacity was devoted to rearmament the problem of over-production did

¹ *Disraeli*, André Maurois.

not, of course, exist. So soon, however, as war conditions should cease it was bound to become a very real one. That was Germany's haunting fear.

The extent of Germany's over-production is difficult to determine statistically. Henri Hauser, in his book *Germany's Commercial Grip of the World*, published in 1917, states that before the First Great War sixty per cent to seventy per cent of her production was destined for export. That, however, is almost certainly an exaggeration. But more revealing than figures are the views expressed by certain prominent German industrialists to Herr Rauschning who has quoted them in his book *Makers of Destruction*.

"We have," so the Secretary of the Mines Association at Essen asserted, "an extensively rationalized industrial mechanism, with a capacity considerably in excess of the requirements of a whole Continent. . . . There is only one way to help us out. Give us big markets, a region for German industry to dominate a 'Lebensraum'."

Röchling, another leading industrialist in the Saar, said with reference to the *Lebensraum*:

"There must be a nucleus of power round which a new order can form. . . . I don't see how war can be entirely avoided. . . . We need Europe and we need the East. German industry can supply all Europe and half Asia. It not only can but must do so or it will run at a loss which means unemployment. . . . The home market is only a stop-gap, a makeshift. Everybody inside and outside Germany knows that we have got to get rid of the petty, dry-nursed, unfair competition of all those new states, or control their outputs. . . . There is only room for one big industry and that is Germany's industry. . . . It is war to the knife, and we or they must go under."

And here we have the views of Krupp von Bohlen Hallbach:

"Manufacture is one thing and sales are another. We need markets but the markets of the world are closed to us. Great Britain has erected tariff walls. In France, Italy, Sweden, the Balkans, in fact, everywhere, German trade is up against barriers which little by little are becoming insurmountable."

In a speech Dr. Schacht, Germany's greatest economic and financial expert, uttered these words:

"Unless we succeed in obtaining economic living-space outside our frontiers, unemployment will become permanent in our country. For this reason we must demand again and again: give the German people living-space in the world."

Though we need not accept these statements at their face value they nevertheless do confirm in unmistakeable language what is a matter of common knowledge, namely, that industrial paralysis, mass unemployment, and the prospect of a reduced standard of living are Germany's nightmare. But this is not peculiar to Germany. Other industrial states are haunted by similar fears. What the German industrialists fail to realize, if indeed they do not purposely suppress it, is the fact that German over-industrialization and over-production is largely

an artificial hot-house growth. That, however, does not make it less of a very real problem. It is, in fact, the root cause of Germany's will to war from which all the other evils have flowed. Without the support of the industrial and financial magnates Hitler could never have come to power, nor could the war-machine have been set in motion, nor militarism have reared its head. Had a careful diagnosis been made of the growth and development of German industrialism the conclusion that it could only end in war would have been inescapable. Something might then possibly have been done to ease the situation. But where was the machinery for such a diagnosis?

Under Hitler's totalitarian régime the urge for expansion became greater than ever. Germany was now no longer content with the mere capture of markets, she was already contemplating the integration of the economic systems of her neighbours with her own. While the victorious Powers were endeavouring to restore the old order, Germany was already envisaging the new era of large economic areas. Instead of taking a lead in a policy aiming at the economic integration of Europe the Allies left the initiative to Hitler with all its disastrous consequences.

Of all the great industrial states excepting Italy and Japan, Germany is the one which is least well endowed with natural resources. Rightly or wrongly, she feels that she does not enjoy that degree of economic independence to which as a great industrial Power she considers herself entitled, and that consequently her internal economic and social stability lies too much at the mercy of the outside world. She wants assured markets, more of her own raw materials and of her own supplies of foodstuffs so as to be secure from interference whether in time of peace or of war. As we have seen, in this respect the situation became aggravated after the First Great War by the loss of her iron and coal fields in Silesia and Alsace-Lorraine and of her colonies. Although these losses did not prevent Germany's phenomenal recovery which, by 1926, had already outstripped her trade, production and standard of living of 1913, they did, as we have already noted, increase her dependence on other countries. "The condition of dependence," so Goering has told us, "on the greater or lesser goodwill of foreign Powers is for a self-conscious people that have the desire to live simply intolerable."

Not until the Second Great War did we hear much about the *Lebensraum* question. It is the extent of Germany's dependence on the outside world for markets and the supply of raw materials and foodstuffs and the enormously increased productive capacity of her industrial machine which has created this urge for the broadening of her economic basis. Modern developments not only quickened the desire for a *Lebensraum* but also determined the form that *Lebensraum* should take if Germany's economic structure was to be secure against the danger of collapse owing to circumstances beyond her control.

Hohenzollern Germany aimed at world hegemony by means of political and economic pressure backed by military power, and not at economic absorption in the sense of forcing other nations to become integral parts of the German economy. Hitler's policy, on the other hand, was to create a Greater Germany by uniting all Germans, and to surround that Germany with a girdle of vassal states to be politically controlled and economically absorbed into the German totalitarian system.

The Nazi geo-political conception of the *Lebensraum* is not a break with the policy of Hohenzollern Germany but an extension of it with a new technique, in accordance with the altered conditions. The progress of science has revolutionized social and economic life everywhere. Hitler's aims and the methods by which he hoped to achieve them were based on conceptions arising out of these changes, and went far beyond anything that Hohenzollern Germany ever dreamt of. But if the methods had changed, the main objective—Pan-Germanism—remained essentially the same. Let us not dismiss too lightly the *Lebensraum* thesis as an idle figment of Hitler's diseased brain, not from any wish to gratify German ambitions, but because it is not an exclusively German problem, for it represents in a greater or lesser degree the needs of many other states as well and so raises the whole question of the future of Europe, and indeed of the world.

A *Lebensraum* large enough to satisfy the requirements of a planned economy on a scale such as Hitler contemplated far exceeds what any conceivable extension of German sovereignty could provide. Hitler's *Lebensraum* implied an extension of the totalitarian system beyond the national frontiers so that the economic life of all Europe might be co-ordinated, integrated, and dragooned into one gigantic organism with Berlin as its directing centre. It would have meant a customs union over the largest free trade area in the world under a single planned economy, to which would have been harnessed the colonial resources of the vassal states. The German Europe was to become as far as possible self-sufficient in all essentials, while trade was to be conducted with individual countries through the agency of the state. This huge economic unit would have placed a population of 400,000,000 souls under the German yoke. This would have broadened Germany's economic basis to the extent of subjecting the whole Continent to the principle of complementary collaboration and the subdivision of labour under German direction. Such a consummation would have given Germany the monopoly of industrial production in Europe, while the vassal states would have acted as feeders to the German industrial machine. In short, the meaning of Hitler's new order was the exploitation of all Europe in the interests of Germany, but not necessarily to the economic disadvantage of the vassal states, since their impoverishment would have destroyed the one thing above all others that German industry needed—markets for her manufactured goods. "Compulsion first," said a leading German industrialist to Herr Rauschning, "later the reins can be loosened a bit." . . . "There must be no attempt to oppress other nations, on the contrary we must develop them and increase their purchasing power." That is, after all, no more than common sense. The severity of the wartime treatment of occupied countries is not necessarily an indication of peacetime intentions; but while the vassal states might benefit economically it would nevertheless have been a system of slavery. The subjugation of Europe would have paved the way to world domination.

Hitler's policy could be carried out only in one of two ways. Either by outright annexation, implying direct rule and the holding down of the subject nations, or by indirect rule through governments which had willingly embraced the Nazi faith. The latter could alone have held out any promise of permanency. Hitler's system of protectorates and his

unremitting efforts to stimulate everywhere spontaneous movements in favour of linking up with the Nazi ideology indicate clearly that he was fully alive to the impracticability of direct rule. Territorial sovereignty therefore figured less in Hitler's calculations than economic power through political domination. Hitler conceived his new order as a pyramid of puppet states with its apex at Berlin, each state to be governed by a sub-Führer taking his orders and looking for his ideological inspiration from himself. Europe was to be ruled by a managerial hierarchy. Quite apart from the allied victory the hatred of Nazism aroused in the conquered states would in any case have gone far to frustrate these ambitions.

A state-directed economy on this scale would find little difficulty in isolating and destroying any system based on democratic individualism. Obviously, the dovetailing of all component parts in such a complex process of economic integration could only be achieved through political control with a background of military power and not merely by the application of political pressure; in short, coercion was necessary. But precisely because the whole fabric was to rest on force it was doomed to failure from the very outset.

Nevertheless without force, or at least a show of it, such a grandiose scheme could never have been attempted. Re-armament therefore became an indispensable preliminary. Even though the bulk of the German people may not have wanted war, it was clear from the first that the creation of a gigantic war machine, which could only be kept alive by plunder, must sooner or later get out of control and end in armed conflict; for how otherwise could the German purposes be achieved?

Re-armament alone could not of course accomplish such vast designs without complete unity of aim in the conduct of foreign and domestic policy involving the suppression of all party antagonisms, which in Germany had always been sharper and more violent than in other countries. This could be affected only by a single-party system under a dictatorship which alone could ensure that every ounce of the national energy would be devoted to the one great end.

Among the methods employed for the dragooning of the nation were the regimentation of the public mind fed on such ideological clap-trap as the purity of the German race and its superiority over all others; the enforcement of social peace between capital and labour; rigid state control over the whole economic life of the nation; and the insistence on self-sufficiency in the interests of military necessity. Even the Churches could not be allowed to preach Christian principles for fear of destroying the toughness of the Nazi fibre. "We do not want any other God but Germany itself," Hitler once said. If economic nationalism was to insure Germany's self-sufficiency in this world, spiritual nationalism was to secure it in the next. The chain-gang system became indispensable to the German Nazi *risorgimento*. Only by such iron discipline could the whole nation be bent to the will of its leader. No sacrifice was to be too great in the attainment of the supreme end—the spread of Nazism to every corner of the earth in the interest of German world dominion.

Hitler's ambition was limitless. That is why it was never possible to come to terms with him or to get him to define his aims. He rejected all proposals for international co-operation and refused to solve the German

problem by means of industrialization for export, because it subjected Germany to the vagaries of a world economy and to foreign influences, including Jewish, which lay beyond his control. *Laissez-faire* internationalism with its unequal distribution of the world's wealth created not only in Hitler but in all the great "Have Not" Powers the belief that it only serves to make the strong stronger, the rich richer, and the poor poorer. And so Hitler bamboozled the world and created unrest everywhere until his preparations for war were complete. Totalitarian economics have always been something of a mystery, but, in reality, the explanation is fairly simple. By means of foreign loans and a progressive reduction in national consumption it is possible to procure much of the money needed for re-armament, as we ourselves have experienced during the Second Great War. This enables one of the main objectives—full employment—to be realized, but only for a time. The masses wanted employment, the industrialists orders and outlets, the soldiers the engines of war and military glory. Hitler could have wished for nothing better. Re-armament was to provide a temporary, and a successful war, a permanent solution for all these problems. The more the preparation for war absorbed the nation's energies the more it impoverished the people until inevitably a point was reached when the war machine could no longer be kept going without plundering Germany's neighbours. To relax would have spelt unemployment and revolution. A successful war offered the only means of escape from complete collapse.

When the great economic depression of 1929–33 swept over Germany, in order to avert collapse and wholesale insolvency, the state had to step in and in so doing became the virtual owner of most of the banks and through them of many industries. Thus the state came to control a very large proportion of the entire German economy. When Hitler took over the reins of government he found ready to hand such a concentration of economic power as the state had never possessed before. The ease with which he succeeded in fastening his yoke on the German people is largely due to his having been able to secure the key positions which are inseparable from the large-scale organizations which constitute Germany's economic structure and the loyalty of the Army. He was equally lucky in the political field. The disappearance of monarchy and petty sovereignties all over Germany enabled him to effect what even Bismarck could not achieve—the complete political unity of Germany—the *Einheits Staat*. He thus succeeded in concentrating all the power of the state, economic, political and military, in his own hands.

Hitler's first problem on taking over the leadership of the Reich was to find work for 6 to 7,000,000 unemployed, unless Germany was to be plunged into untold misery and chaos. Re-armament served the double purpose of providing work while at the same time preparing Germany for the supreme struggle, and militarization offered an easy method of remedying social inequalities which had become a source of even greater dissatisfaction than economic. Given Hitler's outlook, there is nothing irrational in concentrating on conquest first, leaving economic rehabilitation to shape itself afterwards. But the financial and economic strain of re-armament could not be borne indefinitely. Sooner rather than later, Hitler was bound to be confronted with the choice between war

for the German *Lebensraum* and relaxation of armaments with all the consequences of mass unemployment and an internal upheaval. It was not difficult to foresee that Hitler would prefer to stake all on the fortune of war rather than face revolution at home and the collapse of the Nazi régime. The gambler's throw would offer at least a sporting chance to escape from all these troubles even if he were to think the issue doubtful. Once re-armament had begun there could be no turning back. From the moment Hitler came to power the die was cast.

It has never been clear whether the Nazi régime was capitalistic or socialistic. Though it has not, like Bolshevism, openly made war on capitalists yet capitalism as an individualistic system ceased to exist in Germany. If the façade still remains, the rest of the fabric has crumbled. Finance, industry, and trade have been subjected to the strictest state control so that private ownership of capital and of the means of production exists in name only. Private property remains, but no one can do what he likes with it. Germany is a complete state-controlled planned economy. Though somewhat less totalitarian than that of Russia, it differs little from it except in form. Is Germany socialistic? Germany has not developed a classless society any more than Russia. The whole of her economy, like Russia, is controlled and directed by a managerial hierarchy which is much more highly trained and efficient than in any other country.

Hitler is unquestionably primarily responsible for the Second Great War. But Nazism would never have come to the fore, nor he to power, but for the occupation of the Ruhr, the conditions prevailing in Germany as the result of the great economic depression of 1929-33, and the support of the Industrial Magnates, the Junkers, and the Reichswehr. That does not mean that all would have been well if he had not come to power. So long as the German top-heavy economic structure with its military background remained intact, mutually supporting one another, the one for the satisfaction of its industrial needs, the other for the gratification of a mere lust for power and domination, nothing would have prevented an ultimate explosion. We must therefore not mistake Hitler's personal megalomania for the kernel of the German problem. Germany's permanent malaise is something much more deep-seated. Nor indeed is that malaise confined to Germany alone. Nazism, though the product of a highly complex set of circumstances, is at bottom the concrete expression of the dissatisfaction felt everywhere with the existing political, social, and economic order which the machine age has brought into being. It represents an international crisis which reaches down to the very foundations of all human society. The problems to which it has given rise constitute a turning point in history. The era of the Industrial Revolution has come to an end and a new one, equally revolutionary, is about to begin. Attention has been too much focussed on Hitler's excesses without realizing that these are the excrescence and not the core of a problem of world-wide significance, for the solution of which we have had to wait far too long. It is for these reasons that Nazism found such ready acceptance in many countries before the war. These saw the advantages of an economically integrated Europe and genuinely believed Germany to be the only Power capable of organizing it.

Autocracy and democracy are now agreed on the one essential point, namely, that a new order must take the place of the old: it is clear that neither can revert to their pre-war way of life. And so in the end it may well turn out that both sides have been fighting not so much because they disagree on fundamental economic principles—but because they differ as to the methods for giving effect to them. The vital difference is that Hitler tries to effect his new order under a German hegemony and system of tyranny, whereas the Democracies must try to achieve theirs by persuasion and on the basis of equal partnership among free nations. The fundamental problem of the *Lebensraum* remains to be solved, not for Germany alone, but for all nations, and solved it must be if there are to be no more Hitlers and no more world wars.

Allied statesmanship failed to forestall the German onrush because it did not fathom the world-revolutionary character of Nazism, its elemental force, its relentless economic pressure, and the German will to power, which had been steadily gathering momentum with the growth of German industrialization. We were loath to admit the inevitability of an ultimate clash in arms; and consequently did not make any effort to avert disaster.

Despite all this writing on the wall some British statesmen, right up to the destruction of Czecho-Slovakia, believed Hitler's assurances that he was a man of peace and that he would be satisfied once the unity of all the German race had been achieved. How could he, even if he had wanted to, when once the war-machine had been set in motion?

*"La bêtise humaine seule nous donne l'idée de l'infini."*¹

Diplomacy has been far too much preoccupied with day-to-day, hand-to-mouth tactics and far too little with the deep-seated causes of war and with long-range strategy. On the possibility of correcting this outlook we shall have something to say later in this book, but first we must examine the nature of democracy and its capacity for answering the challenge of totalitarianism.

(d) DEMOCRACY

"Every kingdom divided against itself is brought to desolation; and a house divided against a house falleth." S. LUKE xi, 17.

"By winning the support of the people the kingdom is won; by losing the support of the people the kingdom is lost."

CONFUCIUS: *The Great Learning.*

Democracy is neither an ideology nor a political system, it is a national way of life under liberal institutions which purport to guarantee the least possible interference by government with the liberties of the people. It is thus essentially negative in outlook. If the sovereignty of the people is the essence of democracy, it does not exclude the adoption of any political creed, good or evil, that may be demanded by the will of the people constitutionally expressed. We shall do well to bear this in mind and not rely too much on the efficacy of democratic institutions in

¹Voltaire.

countries like Germany, where the people prefer and are accustomed to authoritarianism. One short session of Parliament could destroy all our liberties. Though this may not be likely, it is at least theoretically possible.

The smaller the state, the more effective democracy is likely to be; in large states, with their manifold and complex problems, it becomes of all systems the least manageable. In small communities and among simple surroundings, where facts are easily ascertainable and universally understood, and every man can from personal experience judge for himself, the practice of democracy presents no difficulties. For centuries it was the custom of the Florentines to sound the great bell in the Piazza della Signoria to assemble the whole population into the square below to decide by popular acclamation upon the question at issue. But sheer weight of numbers and the magnitude of modern problems render such primitive, and once effective, methods impossible in our time. Democracies today are composed of vast numbers who have little knowledge of public affairs and still less of the capacity of those entrusted with their management. Modern democracy finds expression through delegated authority. In this country the system of representative government assures to the people the right to choose or remove its rulers, to exercise a dominant influence over policy, to discuss and criticize all government measures and all acts of public men. In theory democracy is the best guarantee of freedom yet discovered; but its successful working depends upon the shelter of favourable conditions. In practice no democracy comes within sight of its ideal.

Democracy has meant different things at different times and in different countries. Though there are many brands of democracy we always associate it with the central idea of liberty, equality, *laissez-faire*, and individualism. In France more importance has always been attached to equality, while in this country, until comparatively recently, the emphasis has been on liberty; but the fundamental difference between French and British democracy is that the former is not the product of slow evolution but of a sudden break with the past. This has left its mark in a steadfast adherence to doctrinaire principle. French democracy has always been more authoritarian in character than British democracy. This may be due to the centralized character of the administration; also to the fact that it was the child of the Revolution and not the outcome of gradual growth as in Britain.

If in England liberty has achieved freedom of speech, the right of association, equality before the law, and security against arbitrary rule, it has afforded little protection against the power of modern capitalism. Thus there is now less interest in liberty and more in equality in the sense of a more equitable distribution of wealth. The value of liberty is much reduced unless accompanied by this equality. Thus when we speak of our democracy today we must distinguish between political and economic democracy. In the days before industry and finance had developed into a system of concentrated economic power in the hands of a few all powerful magnates, political democracy was amply sufficient to safeguard the liberties of the people. Today that concentration of economic power carries with it political power without responsibility which, because it escapes control, may easily undermine political liberty, and so our

problem is no longer that of political democracy but of economic democracy in the shape of a struggle between capitalism and socialism for control of the sources of economic power.

Democracy has by no means been universally successful. Neither in Germany nor in Italy has it ever had the emotional appeal which exists among peoples who have battled and bled for it. It broke down too in Spain. In Poland, Hungary, Roumania, and Jugo-Slavia the pretence of democracy had been abandoned long before Hitler overran Europe. Japan more often than not is governed by a military oligarchy. But the British Empire, the United States of America, France, Holland, Belgium, Switzerland, Czechoslovakia, and the Scandinavian countries remain wedded to its principles. There is unfortunately much substance in the contention of our enemies that the complexity of modern economic, social, and political problems, with their far-reaching effects on foreign relations, is beyond the grasp of the multitude. From the point of view of diplomatic efficiency democracy is not the best of backgrounds.

Certain it is that the authority and prestige of parliaments has declined in all democratic countries. They are steadily losing their sovereign power. This is due to two causes. First the power, still growing, which modern science and technology have placed in the hands of the great organizations of private enterprise. These control, not only the means of production—the main source of national wealth—but also the governments themselves. Secondly, the volume and intricacy of public business are now so overwhelming that the functions of government are becoming more and more highly specialized, with the result that parliaments tend to lose control of the executive and are forced to rely increasingly on the expert advice of the bureaucracy. In the totalitarian states, parliaments have ceased to function altogether except for the purpose of approving unanimously the decisions of dictators which are then proclaimed as the will of the people. Legislatures are increasingly becoming the servants of the executive through sheer force of circumstances, and when there is conflict between them, as sometimes happens, the result is often muddle, if not something worse. Electorates have grown to such dimensions that the voter takes less and less interest in the value of his vote. Do governments whose mandates are derived from vast amorphous constituencies at periodical elections really express the will of the people in the day-to-day conduct of public affairs? At elections the people are asked to cast their votes on half a dozen subjects, but each voter may think what he likes provided he votes for the party nominee. Party discipline may insure obedience but not the expression of true public opinion. The power wielded by the central offices of all parties is a tyranny which forces M.P.s to obey the behests of the party managers under pain of not being re-elected.¹ The Parliamentary Whip system was largely responsible for British atrophy and unpreparedness while Germany was feverishly re-arming. Has not the will of the people become largely a myth? Under modern conditions the people can no more govern themselves than an army can lead itself. Karl Marx once asserted that the essence of bourgeois democracy was that the "oppressed were permitted once every few years to decide which particular members of the oppressing

¹*Unforeseen Tendencies of Democracy*, E. L. Gorkin.

class should misrepresent them in Parliament". That cynical observation is of course an exaggeration. Nevertheless there is more than a modicum of truth in it since in democratic countries the real political power lies with big money and a comparatively small circle of political wire-pullers who know how to manufacture public opinion. If democracy was originally conceived as a safeguard against oppression by the sovereign and the aristocracy, today it has fallen under the tyranny of the party caucus. Hence that sense of frustration which afflicts the masses. A new deliverance has become necessary. This can be achieved only by selecting men, not for their political creed, but for their ability and integrity. Though anathema to democratic principles it is none the less true that under modern conditions good government has come to depend more on the soundness of the bureaucracy than on the political system which it serves.

There are special reasons for the success of democracy in this country. For centuries before they developed the highly complicated representative system, the British people had practised democracy in the local government of their townships and villages. It is there that they first learnt the art of self-government. The successful working of democracy depends less on democratic institutions than on a deeply rooted instinct and attitude of mind which results in an innate respect for law and order, a spirit of compromise, a preference for discussion to violence, and the readiness of minorities to abide by majority decision. Unless the great majority of the people of all classes and creeds are practising democrats, democracy cannot work. The failure of democracy in so many other countries is not due to faulty democratic machinery but to the absence of the democratic instinct in the masses and to the fact that they have skipped the intermediate stages of development and of apprenticeship through which this country has passed. But above all British democracy has been allowed to develop in an atmosphere of national security. Great Britain has escaped invasion since William the Conqueror. In countries with insecure frontiers and where the exigencies of defence impose a high degree of national discipline and regimentation democracy cannot take firm root and so there is less opportunity for political development. Now that Great Britain, owing to the growth of air-power, no longer enjoys the same immunity, British democracy has been deprived of one of its essential conditions of development. Even before the Second Great War we were being subjected to restraints and compulsions from which we had hitherto been free, while after it began we became completely authoritarian—nay in some respects almost totalitarian—overnight. It is only when democracy is secure that liberty can be respected. Democracy may be valiant in war but it is self-indulgent in peace. Its efficiency is potential rather than actual, and though it can rise to the occasion when the call comes it has to pay a heavy price for its peacetime complacency and run enormous risks. The fact that democracy can no longer function at moments of supreme national crisis unless it becomes authoritarian is a severe reflection on its efficiency under modern conditions and stamps it as a fair-weather system.

Never was diplomacy more fatally paralysed than during the between-war period. Despite the dazzling Allied victory Britain had emerged from the First Great War greatly impoverished and with her relative position as a world Power much impaired. As she could no longer rely upon her

own resources for her security she henceforward stood in need of alliances. Since, however, the British public had been taught to pursue that will o' the wisp "collective security" and to rely upon the League of Nations it looked askance at alliances which involved commitments for fear of entanglements and it shirked the burden of military preparedness. The nation was unwilling to pay the premium for its insurance. Instead, its financial resources were spent on social services and a higher standard of living notwithstanding its straitened circumstances. The Labour Party demanded it and the Conservative Party dared not oppose it. And so diplomacy was left to shift for itself as best it could to meet the gathering storm. Today the nation has paid in "blood, toil, tears, and sweat"¹ for this short-sighted policy. Without in any way impugning the ideals of democracy, this is a clear instance of the weakness and the dangers of the party system where foreign policy is concerned.

Throughout the Victorian era the smooth working of our democratic system was assured because British domestic and foreign policy before the advent to power of the Labour Party was based on the acceptance of the capitalist order of society, the balance of power, naval supremacy, *laissez-faire*, and the freedom of trade. These were fundamental principles, and since they were accepted as the common ground of all parties discussions in Parliament on foreign policy were kept outside the danger zone and never reached the point where the nation would become irreconcilably divided on a question of paramount importance. It was, moreover, an age of great national prosperity and of continuous economic expansion and, although political excitement often waxed keen, nothing was ever so important as to goad the defeated party into revolution. The broad outlines of British foreign policy remained unaffected by party differences. They had become settled and axiomatic. So long as these conditions obtained there was no danger of democracy obstructing the course of foreign policy. But today they are radically changed.

In the democracies socialization is making slow but steady progress. Many social services and certain forms of production have been transferred from private to public control. Indeed, it is not too much to say that this country, at least in wartime, has already reached the stage of a semi-planned economy midway between *laissez-faire* and thorough-going collectivism. But despite that progress we still remain a capitalist democracy. Until the gulf between capital and labour can be bridged there can be no solid foundation for a sound economic foreign policy. Social peace at home is therefore an indispensable prerequisite to strong leadership abroad. When this embraces the wider field of imperial co-operation the problem becomes much more complicated. But if democracy is to take the lead it must cease to be a house divided against itself, i.e. it must decide whether its fundamental doctrine is to be capitalistic, socialistic, or something between the two. Capitalism is an economic method and not a political dogma. Capitalistic socialism is not a contradiction in terms.

Is totalitarianism wholly inconsistent with democracy? In so far as it implies dictatorship and the regimentation of the cultural and spiritual life of the people it is unquestionably incompatible with the

¹ Mr. Churchill in House of Commons, May 13, 1940.

liberties of political democracy. But if restricted to the economic sphere it is better described as collectivism which is not necessarily inconsistent with economic democracy. Indeed under war conditions we have been forced to accept a régime of authoritarian collectivism which has now progressed so far as to make a complete return to individualism all but impossible.

President Roosevelt's four freedoms: the freedom from want, freedom from fear, freedom of speech and freedom of worship, form the spiritual and cultural foundation of democracy. But these in the main only cover its social and political side. He did not mention economic freedom upon which all the other freedoms in the end must depend and which is now threatened as never before because it is incompatible with the trend of scientific and industrial progress. Until comparatively recently the protection of property and the liberty of private enterprise were sacrosanct principles of democracy. Government interference in the economic life of the nation was strictly limited to the purely negative function of safeguarding these principles. It was the business of Parliament to see that the state did not overstep the limits of its authority or encroach upon the liberties of the individual whether worker or capitalist. But the ever-growing concentration of economic power in fewer and fewer hands holding key positions—the managerial class—tends to deprive the working classes of their personal and political liberties. The more capital succeeds in establishing a monopolistic control the more it becomes a state within a state.

The scale of modern industrialization and the magnitude of the social, economic, and political problems to which it has given rise have rendered strict adherence to the democratic principle of complete abstention from state interference in the economic life of the nation no longer possible.

Of recent years the action of government has been brought more and more into play as a regulating factor in balancing the differences between capital and labour. After the war government control, if it is to serve the higher purposes of foreign and domestic policy, will have to be directed towards the process of internal economic integration which demands ever increasing government interference. The danger is that the further government departs from its purely regulating function and tends to assume control over the national means of production the more it will free itself from the authority of Parliament because it can provide its own independent financial resources.¹ Control of the purse is the main safeguard of democratic liberty. Thus while we are fighting for freedom against the powers of evil, oppression, and tyranny abroad, we are in danger of losing our liberties at home in the toils of modern scientific progress. It is a danger against which the British nation must be on its guard. Britain's success in the past has largely been due to her ability to reconcile in practice what in theory was seemingly impossible. Government control is not necessarily incompatible with true democracy. What matters is not so much the changing character of economic democracy but whether control rests in the hands of a democratically minded government responsible to Parliament or in those of a managerial class possessed of key positions and of quasi dictatorial powers. We need not despair that the

¹ *Constructive Democracy*, John Macmurtney.

solution of this problem is beyond the political genius of the British people.

But capital and labour must come to terms, for dissension at home can only have a paralysing effect on foreign policy. Unless this can be achieved it is a question whether democracy can survive in its struggle with totalitarianism. Thus in the domestic as well as in the international sphere democracy is now likely to be tested as never before.

Ours is not the only great democracy threatened. In America, too, the Republicans and Democrats used to be united on the great fundamentals of domestic and foreign policy. But now the central problem comes upon them in an even more acute form. Wealth is more unevenly distributed and the control of economic power concentrated in even fewer hands than it is here. Never before was disillusionment about democracy more widespread in that country than immediately before the Second Great War. It is surely a sign of the times that the United States, the greatest unplanned economy in the world, which had been consistently opposed to trusts, combines, and monopolies, should under the stress of circumstances have been forced to abandon *laissez-faire* and take the first steps in the direction of planning—for such President Roosevelt's New Deal unquestionably was. It implies the self-government of industry under state guidance and the elimination of free competition on almost fascist principles; but it is conceived in the interests of capital.

In his message to Congress of April 29th, 1938, President Roosevelt summed up the situation as follows:

"Among us today a concentration of power without equal is growing. . . . The liberty of a Democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than the Democratic State itself. . . . If there is any danger to our liberty it comes from concentrated economic power which is struggling hard to master our Democratic Government, but it is not coming, as some of the possessors of private power would make the people believe, from our Democratic Government itself.¹ Private enterprise is no longer free enterprise and is becoming a cluster of collectivism which in the guise of free enterprise is in fact developing into a cartel system after the European model."

So we have here the curious spectacle of the President of the greatest democracy in the world inveighing against a product of individualism and *laissez-faire*, and seeking to exercise something like the control which the dictators of totalitarian states have long recognized to be essential and have succeeded in establishing.

¹ The President gave illuminating figures to show how much economic power was concentrated in private hands in America. One in every thousand of all America's corporations possesses over 50 per cent of the total assets of the thousand and the remaining 999 less than one half. Of every twenty corporations one owns seven-eighths of all assets and the other nineteen share the remaining eighth.

"As regards earning power and the distribution of dividends, he said that one corporation in twenty-five earns five-sixths of the total net profits, and the remaining one-sixth is earned by the other twenty-four companies. Three persons in every thousand received three quarters of all dividends, the remaining quarter being divided among the other 997 persons. He came to the conclusion that this tremendous power was welded by the interlocking of financial controls in the hands of a very few individuals." (Mr. Raymond Gram Swing's talk, April 30th, 1938.)

"The day is past," said Mr. Justice O'Donoghue, of the Supreme Court of the District of Columbia, on August 29th, 1933, delivering judgment, "when absolute vested rights in contract or in property are to be regarded as sacrosanct or above law. Neither the necessities of life nor commodities affected with a public interest can any longer be left to ruthless competition or selfish greed for their production or distribution."

These words might have fallen from the lips of Mussolini.

The Great Economic Depression of 1929-1933 had resulted in political unrest and widespread unemployment in the United States. The exact figures are unknown, but are believed to have been about 12,000,000. President Roosevelt's "New Deal" was an attempt to remedy the situation by far-reaching reforms, such as the introduction of codes for the regulation of industry, binding on employers and workers alike. These fixed hours, wages and conditions of employment. Nor were the interests of the farmer neglected. Public works and afforestation figured in his scheme. These measures certainly brought relief, but when prosperity began to return they were so violently attacked that the "New Deal" had eventually to be abandoned.

Though the "New Deal" was a step in the direction of the planned economy we must not delude ourselves into the belief that President Roosevelt had turned his back on individualism and capitalism. He is no socialist. On the contrary, he has often expressed his faith in the profit-making motive and in *laissez-faire*. The "New Deal" was an emergency measure, not a plan for the future in the sense that the Russian Five Years plans were. It was only intended to help the country to recover from the effects of the great economic blizzard and tide over momentary difficulties. Real planning can only be effected by a central authority arrogating to itself powers which the American Constitution, like the British, does not permit. The democratic party system presents almost insuperable obstacles to every form of planning. Fundamentally, the American economic structure has remained unaffected.

"Nevertheless, the "New Deal", though only an emergency measure, went far enough to make a return to completely uncontrolled individualism improbable.¹ The Authoritarian regime which the Second Great War has forced upon the United States, as it has on this country, may well have made it even more so. It can hardly have failed to set forces in motion which, in the fulness of time, may lead to constitutional changes without which real progress towards planning, whether on capitalist or socialist lines, is impossible. However that may be, from the point of view of post-war American foreign policy, we must still regard the American outlook as dominated by the profit-making motive and not that of public service. So long, therefore, as America remains hovering between nationalism and internationalism her attitude towards a policy of active and constructive co-operation in Europe must remain problematical. If the President's somewhat revolutionary policy is to be renewed after the war, and can be carried out within the framework of constitutional practice, America may possibly show us the way to greater collective

¹ *Practical Economics*, G. D. H. Cole.

effort, and to a better sense of discipline and of co-operation without sacrifice of the democratic principle.

In France, too, even before the Second Great War we find the beginnings of a movement towards the cartelization of industry and the co-operation of capital and labour under government control. After France's collapse, Nazi pressure tried to accelerate the process by incorporating her in Hitler's new order.

Since the days of Demosthenes foreign policy has always been the weak spot of democracy. Today it is more so than ever. There have been several occasions in recent years when it has failed us badly. It was the voice of the people which jockeyed the British Government into the Abyssinian policy and thus threw Mussolini into the arms of Hitler. Mr. Baldwin's confession, in 1936, that he did not dare to propose re-armament as he could not "think of anything which would have made the loss of the election from my point of view more certain" is a good illustration of how democracy can jeopardize the highest interests of the state. It may have been good domestic policy, but it was very dangerous foreign policy, as we have since learnt to our cost. The Peace Treaties of 1919 were concluded only after immense difficulties arising from the intransigent state of opinion in the home legislatures. The Treaty of Versailles was accepted by the Weimar Assembly only after the most violent altercation. The American Senate rejected it. America's foreign policy has time and again been vetoed by the Senate, thereby adding enormously to the world's troubles. The frequent changes of government in France at moments of international crises have often upset the diplomatic apple-cart. The Treaty of Sèvres was rejected by the Turkish National Assembly. The Memorial signed by a large and influential body of Members of Parliament supported by the Press and presented to Mr. Lloyd George during the Peace Conference at Paris urging the imposition of an impossible figure for reparations is an excellent example of the mischievous interference of an all powerful but ignorant public opinion. The withdrawal of the Italian Delegation from the Conference in consequence of the indignation of the Italian Government and Press at the peace terms threw the deliberations for a time into confusion. The chequered career of the Disarmament Conference and its final failure were in no small measure due to the state of public opinion in the various countries represented. All this shows how foreign policy has become the prisoner of domestic policy and the plaything of party faction. Democracy certainly did not stand up to the new totalitarian challenge with either vigour or understanding. While totalitarianism acted, democracy talked. Throughout the between-war period, the democratic governments showed inferiority to the totalitarian states both in vision and determination.

Democracy has now come to mean government by the ignorant many rather than by the expert few. It rarely throws up great leaders except in times of national crises. It is too suspicious and too jealous of its sovereignty to place in any individual that implicit confidence and allow him that discretionary latitude which are essential to the success of great statesmanship. It distrusts the master mind. It prefers mediocrity to outstanding ability. The consequence is that in an age when all the major issues of policy are beyond the grasp of the multitude, the only alternative to the modification of democratic principle is the acceptance

of government by mediocrity. If ability cannot be allowed to dominate at least it should be permitted to lead. Precisely for that reason leadership in a democracy calls for a higher order of statesmanship than does dictatorship, for it has to rely, not upon force, but upon persuasion.

Here is what Mr. Churchill has to say about democracy:

"Even now the parliaments of every country have shown themselves quite inadequate to deal with the economic problems which dominate the affairs of every nation and of the world. Before these problems, the claptrap of the hustings and the stunts of the newspapers wither and vanish away. Democracy as a guide or motive to progress has long been known to be incompetent. None of the legislative assemblies of the great modern states represents in universal suffrage even a fraction of the strength or wisdom of the community. Great nations are no longer led by their ablest men or by those who know most about their immediate affairs or even by those who have a coherent doctrine. Democratic governments drift along the line of least resistance, taking short views, paying their way with sops and doles and smoothing their path with pleasant-sounding platitudes. Never was there less continuity or design in their affairs and yet towards them are coming swiftly changes which will revolutionize for good or ill not only the whole economic structure of the world but the social habits and moral outlook of every family."

What are the conclusions to be drawn from this analysis of the conflicting aims of the warring ideologies? First: the clash in arms is predominantly and fundamentally due to economic causes. Secondly: although the democracies and the totalitarian states are politically and spiritually poles apart, they are all moving towards the planned economy; it is only in the pace, methods and extent that they differ; the democracies have moved neither so far nor so fast as the totalitarian states but the direction is the same. Thirdly: that the national as distinct from the international planned economy aggravates the evils of economic nationalism and consequently increases the danger to peace. Fourthly: when a powerful and highly industrialized "Have-Not" Power has reached the stage when expansion beyond its borders becomes an imperative necessity, aggression follows. Not only Germany but Japan, too, and to a lesser degree Italy are examples of this process.

Of the many problems that will confront British diplomacy after the war none can be more pressing or more complex than the removal of these causes of war. If Great Britain is to take the lead, the question today is whether democracy in a world of quick and revolutionary changes can discard its obsolete methods and develop sufficient adaptability, ingenuity and dynamic force to create a new world order in which economic progress can be harmonized with political freedom. Whatever the pretensions of totalitarianism to superior national efficiency, democracy, despite all its shortcomings, can put forward the higher claim to being the most civilized form of society in which man can live that has so far been manifested.

PART THREE
THE FUTURE

CHAPTER X

GREAT BRITAIN IN THE WORLD

"For why? Because the good old rule
Sufficeth them; the simple plan
That they should take who have the power
And they should keep who can."

WORDSWORTH.

"Tis Britain's care to watch o'er Europe's fate
And hold in balance each contending state."

ADDISON.

"No one can be powerful on earth unless powerful on sea."
CARDINAL XIMENES DE CISNEROS.

THE BALANCE OF POWER

THE traditional principles of British foreign policy have never been better or more clearly analysed than in a Memorandum by Sir Eyre Crowe which received the approval of the Foreign Secretary, Sir Edward Grey, and of the Cabinet in 1907.

"Sea power," wrote Sir E. Crowe, "is more potent than land power because it is as pervading as the element in which it moves and has its being. Its formidable character makes itself felt the more directly that a Maritime State is, in the literal sense of the word, the neighbour of every country accessible by sea. It would therefore be but natural that the power of a state supreme at sea should inspire universal jealousy and fear, and be ever exposed to the danger of being overthrown by a general combination of the world. . . . The danger can in practice only be averted—and history shows that it has been so averted—on condition that the national policy . . . is so directed as to harmonize with the general desires and ideals common to all mankind, and more particularly that it is closely identified with the primary and vital interests of a majority, or as many as possible, of the other nations. Now the first interest of all countries is the preservation of national independence. It follows that England, more than any other non-insular Power, has a direct and positive interest in the maintenance of the independence of nations, and therefore must be the natural enemy of any country threatening the independence of others, and the natural protector of the weaker communities.

"Second only to the ideal of independence, nations have always cherished the right of free intercourse and trade in the world's markets, and in proportion as England champions the principle of the largest

measure of general freedom of commerce, she undoubtedly strengthens her hold on the interested friendship of other nations. . . .

"History shows that the danger threatening the independence of this or that nation has generally arisen, at least in part, out of the momentary predominance of a neighbouring state at once militarily powerful, economically efficient, and ambitious to extend its frontiers or spread its influence, the danger being directly proportionate to the degree of its power and efficiency, and to the spontaneity or 'inevitableness' of its ambitions. The only check on the abuse of political predominance derived from such a position has always consisted in the opposition of an equally formidable rival, or of a combination of several countries forming leagues of defence. The equilibrium established by such a group of forces is technically known as the balance of power, and it has become almost an historical truism to identify England's secular policy with the maintenance of this balance by throwing her weight now in this scale and now in that, but ever on the side opposed to the political dictatorship of the strongest single state or group at a given time.

"If this view of British policy is correct, the opposition into which England must inevitably be driven to any country aspiring to such a dictatorship assumes almost the form of a law of nature. . . ."¹

In the generation that has passed since Sir Eyre Crowe wrote this classic memorandum, changes have taken place in the world which must affect the whole orientation of British foreign policy. For one thing, the balance-of-power policy has proved incapable of maintaining peace; for another, the relative power of Great Britain has been diminished. We must examine each of these changes in some detail before going on to indicate the new orientation which must be given to British foreign policy and to the functions of diplomacy.

Throughout the 19th century and right up to the First Great War, the sheet anchor of British policy was the balance of power and naval supremacy. Its object was the maintenance of peace. But the *Pax Britannica* was essentially a policy of enlightened self-interest based upon expediency rather than upon right. Without it Great Britain could not have developed her empire, her strength, and her prosperity unmolested. The enforcement of peace by might alone, irrespective of right and wrong, can be justified on the ground that it saved millions of lives and brought prosperity to all, but it does not necessarily spell justice, though it cannot be said that Great Britain abused her power. For the greater part of the period in question British policy consisted in maintaining an equipoise between the only other Great European Powers besides Great Britain, namely France, Austria, and Russia. The advent of Germany and Italy to the rank of Great Powers towards the end of the 19th century did nothing to alter this principle but much to extend its range and scope by the formation of alliances and counter-alliances, so that finally Europe was divided into two opposing camps, the Triple Alliance and the Triple Entente, Great Britain still holding the balance. The process by which harmony was maintained between these groups, despite frequent discords,

¹ *British Documents on the Origins of the War 1898-1914*, Vol. III, pp. 402-3.

was euphemistically known as the Concert of Europe; Great Britain was the Bandmaster.

That was the position immediately before 1914. In the First Great War, Great Britain fought to retain the balance of power in her own hands and Germany fought for its transfer to her and the substitution of German for British world supremacy. But the very fact that the war was fought round this issue brought the doctrine of the balance of power into discredit, for it had shown that, far from maintaining peace, it had in the end only served to precipitate a catastrophe which finally involved most of the civilized world. It was indeed a vindication of Rousseau's theory that the balance of power does not overawe enemies, and that it defeats its own end by setting the pace among rival groups of Powers in a race for the acquisition of allies.

The virtue of the balance-of-power doctrine lay essentially in its power to maintain peace. Once war had broken out the soundness of the doctrine was sure to be called in question. But whether or not, its abandonment as a policy was in any case the inevitable consequence of the coming into being of the League of Nations and of the principle of "collective security". In the altered circumstances, "collective security", provided it could be made a reality, would undoubtedly have afforded Great Britain greater protection than the old policy of the balance of power. But, unfortunately, as we now know, "collective security" has proved to be anything but a reality. On the contrary, its adoption as a universal principle has shown itself to be a dangerous illusion and quite impracticable in the present state of world society. It seeks to establish eternal peace in a brotherhood of nations, forgetting that the world with its many conflicting ambitions and unsatisfied aspirations is not yet ripe for such idealism. Still, the British, being essentially a peace-loving nation inclined to wishful thinking, from the first pinned their faith to universal "collective security", because they had been taught to do so.

The advent of the League affected the position of Great Britain and of the Empire in various ways. In the first place, it became the keystone of imperial foreign policy, the rallying point of all political parties and creeds throughout the Empire. Implicit faith in "collective security" was the foundation stone upon which the Imperial fabric was to rest. It took some fifteen years for Great Britain to discover that universal "collective security" is a will-o'-the-wisp,

Britain was unable to prevent the Second Great War because she could rely neither on "collective security" nor on the balance of power.

Moreover the balance of power has as a policy become more complicated owing to the growth and influence of the secondary nations. Every overseas state which took part in the Peace Conference of 1919 came to realize that its fortunes were inseparably linked up with those of Europe, and that membership of the League presented the opportunity for taking an active part in world affairs. Thus, some twenty non-European states had come to claim a voice in the settlement of international problems.

The increased importance of these secondary states, which the new distribution of territory and population as well as their influence in the League gave them, went some way to reduce the weight and freedom of

action of the Great Powers. The number of secondary states in Europe with populations of between ten and thirty millions increased from one to five; Spain, Poland, Roumania, Czecho-Slovakia, and Jugo-Slavia. States between five and ten millions increased from five to seven and the states of between one and five millions from six to eight. The total number of sovereign states in Europe rose from twenty-two to twenty-nine.

The collapse of the system of "collective security" left Great Britain high and dry, but the race in armaments which followed at long last forced her to re-arm. This for all practical purposes implied a return to the discredited principle of the balance of power, for its object was the maintenance of peace by the threat to throw Great Britain's weight into the scales against any Power aiming at the domination of Europe. Great Britain thus almost unconsciously reverted to her traditional policy, but it did not prevent the Second Great War, thus proving once more that the balance of power as a policy has failed.

CHANGE IN GREAT BRITAIN'S WORLD POSITION

Developments in the 20th century have not only discredited the balance-of-power policy; they have also diminished the relative ascendancy of Great Britain and of the European continent. The first sign of open challenge to European predominance was the Boxer rebellion in 1900. The first occasion when a non-European Power (excluding, of course, the United States of America) was recognized as on equal terms was the signing of the Anglo-Japanese alliance of 1902. Except for the Italo-Abyssinian war of 1894, the first time that the spell of European invincibility was broken was the defeat of Russia by Japan in 1904-5. The full significance of this last event is hardly yet fully appreciated. It made a deep impression on the minds of all oriental peoples. Henceforward their aim was to throw off their political thralldom to Europe while remaining free to develop themselves on Western lines. The ten years' interval between the Russo-Japanese War and the First Great War was a period of intense political ferment throughout the oriental world. Trouble in India began to brew in 1907. In 1908 the Young Turk movement aimed at the regeneration of Turkey. In 1911 the centuries-old Manchu Dynasty was overthrown by the Chinese Revolution in favour of a Republic on modern lines. In Egypt, too, nationalism began to rear its head. Everywhere the East was in revolt against the dominance of the West. The First Great War acted as a powerful stimulant to these nascent movements.

If all the art and science of Europe were to culminate in nothing but wholesale immolation and destruction, the civilization of the West could no longer be held up to the East as the most perfect of human achievements. If Western culture was only to result in the European nations flying at one another's throats, it was surely no longer entitled to that unqualified admiration which it had for so long enjoyed among oriental peoples. In consequence, the prestige of the white races sank sharply; and since among these Britain, on account of her world-wide interests, loomed the largest, she stood to suffer the most. Japan's entry into the

Second Great War aimed at ousting the white man, lock, stock and barrel, from the Far East.

Whereas in 1492 the white peoples of Europe controlled only 9 per cent of the surface of the globe, today the white race controls 85 per cent. But it looks as though the peak of white supremacy has been reached and that recession is now inevitable. For four centuries Europe, or rather the white race, had been accustomed to impose its will increasingly on all the coloured races of Asia and Africa, but in the negotiation of the peace of 1919 and in the League of Nations the latter took part, not as inferiors, but as equals. The principle of self-determination for the peoples of Europe which the Allies had proclaimed as one of the objects for which they were fighting made it difficult to deny similar treatment to peoples of other continents.

Politically the First Great War dealt a shattering blow to the prestige of the white race. Of all the calamities which that gigantic struggle inflicted upon Europe none may in the end prove to have been greater or more significant than the loss of prestige which the white race has suffered in the eyes of the coloured world. The spell of Europe was broken with results which the future alone can reveal. The Second Great War is not likely to restore it to its former influence, but the defeat of Japan will undoubtedly have a salutary effect.

The disappearance of the world economic structure, as it existed before the First Great War, and the fever for industrialization which that war engendered in many nations resulting in higher tariffs and other trade restrictions, destroyed the old basis of world complementary trade and the subdivision of international labour which gave Europe her predominance and her leadership. The world has been in a state of disorder ever since 1914.

DECLINE OF THE BIRTH-RATE OF GREAT BRITAIN

Probably the greatest danger which faces not only Great Britain but the Commonwealth as a whole is the persistent fall in the birth-rate. This is, however, not confined to the British Empire. The phenomenon began to affect most white nations towards the close of the 19th century. The population of Europe two hundred years ago was, as far as is known, about 140,000,000. In 1913 it was 519,000,000. Less than a hundred years ago the population of the world was 1,000,000,000. Today it is approximately 2,100,000,000. This phenomenal growth, due to the widespread prosperity consequent upon the Industrial Revolution, has no parallel in all history.

Between 1801 and 1851 the population of Great Britain doubled itself, and again between 1851 and 1911. The years of greatest fertility in Great Britain were between 1851 and 1860, showing an increase of 15.1 per cent a year compared with 3 or 4 per cent today. Professor Carr Saunders warns us in his book, *World Population*, that we cannot count on the British race maintaining its numbers in the future. On the contrary it will almost certainly fall, perhaps to a disastrous extent, within the next half century. The population is now all but stationary and, according to Dr. Grace Leybourne, another distinguished statistician, it will have fallen from 40,500,000 to 38,500,000 by 1951, and by 1975 have

been halved, falling to 19,000,000. Dr. Enid Charles, another leading statistician, is even more pessimistic. According to this authority, if the birth-rate should continue to fall at its present rate the population of Great Britain will a hundred years hence be reduced to 4,426,000. Once decline sets in we shall lose 25 per cent of the population in every generation. In quality too a rapid decline is taking place according to Dr. J. A. Fraser Roberts. The four most intelligent people out of every 100 will be replaced by only three in the next generation, while the four dullest will be replaced by five.

Those who are sceptical about these forecasts will do well to remember that the statisticians of the world are more or less in agreement, and that when calculations were made in 1921 as to the probable population in 1931 the error in the estimates was the negligible figure of 0.13 per cent.

The same phenomenon is observable in the Dominions. The problem here, however, is not one merely of arresting the decline in the birth-rate, but how to ensure the exploitation of the space and natural resources of under-populated areas which have become the object of envy of the hungry and over-populated nations. Canada covers an area of 3,547,230 square miles and is capable of supporting a population of 50,000,000, instead of its present figure of something less than 12,000,000. Similarly Australia could support 46,000,000 instead of some 7,000,000, but her survival rate is only 50,000 a year. At that rate her population would not exceed 7,500,000 in forty years. New Zealand with a population of 1,500,000 has the same area and fertility as the United Kingdom which has a population of 40,500,000. In all these Dominions the birth-rate has fallen sharply and there are no signs that under modern economic and political conditions it will again increase. If these vast vacant spaces are to be reserved for immigrants of British stock, how can these be supplied by a Mother Country with her own population steadily declining? If no remedy can be found for the population problem the end of the British Empire can only be a matter of time. An under-populated Empire is likely to become an easy prey to overcrowded nations.

What effect is so rapid a decline in population going to have on the question of imperial defence? With a shortage of man-power and a diminished national income, will Great Britain be able to sustain the burden of maintaining the strength of an Imperial Power? Will the Dominions be able and willing to shoulder a larger share in the burden of imperial defence? Will not the military position in the near future give cause for grave anxiety? Can the Empire hope to retain indefinitely vast, empty, and thinly populated territories with a steadily dwindling birth-rate?¹

In France, where the population has been stationary for many years past, a decline from 42,000,000 to 29,000,000 is predicted by 1980. Did not Marshal Pétain say that one of the chief causes of the collapse of France in 1940 was "too few children"?

Shortly after Hitler's advent to power the question of the German birth-rate received serious consideration. At the beginning of this century the actual birth-rate stood at 1,800,000, by 1922 it had fallen to 1,425,000, and in 1933 to 971,000. It had declined from 39 per 1000 in 1876 to 15

¹ The present increase in the birth rate under war conditions is no indication of the real trend of population.

per 1000 in 1932. The net reproduction rate had fallen to .75, which is about the present level in Great Britain. All statisticians agreed that after 1960 the decline would begin. Hitler therefore introduced various remedial measures as the result of which the birth-rate rose again from 971,000 in 1933 to 1,347,000 in 1938. Yet despite these favourable figures the German statistical offices calculated that a population of 75,340,000 for Germany and Austria in 1939 would rise to no more than 80,535,000 in 1970 and then decline to 77,031,000 in the year 2000. That of Great Britain will then be 19,000,000. Germany has a definite population policy fostered by the cult of racial superiority. While before the present war in the democracies young people were more concerned with social improvements and higher standards of living, in the totalitarian states they were thinking in terms of expansion, creation and opportunity. We plan for the individual, they for the race.¹ The Second Great War may, however, upset all these calculations.

In 1927 Mussolini warned the Italian nation against the falling birth-rate and announced that Italy must have a population of 60,000,000 if she was to play her part as a great Power. He was the first to introduce a population policy, but without success. Between 1922 and 1925 the birth-rate had declined from 1,176,000 to 1,110,000 and has never exceeded that figure since. In 1939 the population was 44,105,000 and unless the birth-rate again increases will not exceed 50,000,000 by 1950, which estimate included Albania. That of Great Britain will then be 38,000,000. It is estimated that by 1961 Italy's population will have reached its peak, and will then begin to decline.

Belgium and Holland are equally threatened with a decline in the next thirty years.

The one important exception is Russia, where the present figure of 165,000,000 may quite possibly double itself within the next sixty years. Nor do the coloured races remain unaffected. In Japan the population is still increasing and will probably continue to do so for another twenty years, till it reaches 80,000,000 or 90,000,000, when all the predictions are that it will decline.

The most disquieting fact which these figures reveal is that Great Britain is in greater peril than any other country from loss of population. Since the reproduction rate is declining over most of Europe the population question is, in its wider aspect of the white race as a whole, essentially a European and not a purely British problem. Can we view the dwindling of British stock in particular, of the peoples of Western Europe in general, together with the steadily expanding numbers of Asia and Eastern Europe without grave misgivings? Almost every European state insists that the decline in population must be arrested.²

To the great industrialized States the rapid fall in population will present many formidable problems arising out of economic dislocation; among others it will mean shrinkage in markets and taxation difficulties.

At long last a Royal Commission has now been appointed to enquire into "the cause of the falling birth-rate in Britain", and Mr. Churchill has said: "The destiny of our country which after all has rendered notable

¹ "The Birthrate and Empire," *The Round Table*, March 1937.

² As regards the British Empire, a population policy is about to be introduced in Australia, New Zealand and, it is to be hoped, Great Britain.

services to mankind in peace and latterly in war, depends upon an ever-flowing fountain of healthy children born into what we trust will be a broader society and a less distracted world." There is no subject which calls for more urgent attention than that of population, for, unless a population policy is made part of the post-war reconstruction of Europe in order to arrest the decline of the birth-rate, all efforts to expand international and national trade will come to naught.

EFFECTS OF ECONOMIC NATIONALISM ON GREAT BRITAIN

Another factor affecting the diminished power of Great Britain is the growth of economic nationalism. British and European ascendancy was won under a system of world economy when Europe alone was industrialized. But the First Great War shattered this system. While European nations were engaged in the prosecution of the war they were unable to satisfy the demands of the rest of the world for manufactured goods. This sudden dislocation of the mechanism of world interdependence resulted in many countries, hitherto content to rely on the exchange of primary products for manufactures, industrializing themselves behind tariff walls. Once these new industries had been created they had to be protected. Whereas before the war only a comparatively few states were highly industrialized, the industrial fever now became almost universal and the greater part of the world has taken to economic nationalism.

This reversion from world economy to national economy is a retrograde step. All governments, democratic and autocratic alike, are fully alive to this fact and freely admit that self-sufficiency is economically unsound and politically dangerous. Why then is there a general unwillingness to abandon self-sufficiency and revert to freer international trade? The answer is, first, that the political strength of a country is determined by the degree of economic independence which it enjoys and, secondly, that self-sufficiency has become an integral part of national defence. It is not merely an economic but largely a military problem as well and it is in that light that we have got to envisage it if the evil of economic nationalism is to be remedied. A modern war is a matter of industrial power and of food supplies even more than of man-power. The greater the economic independence of a state both as regards the production of war material and the means of feeding and clothing the civilian population, the greater its military efficiency and power of endurance under war conditions are likely to be. An industrial state without an agricultural background can be as little prepared for war as an agricultural state without industry.

Now, since every state must provide against possible attack, it seeks to develop to the utmost its industrial and agricultural resources. That is the lesson which blockade taught not only Germany but every state likely to be subjected to it in time of war. If, therefore, economic nationalism is largely a matter of military necessity, any remedy for this evil will have to be sought under the heading of security for all. It brings us back to disarmament as one of the prerequisites to the establishment of freer trade. Without this the necessary atmosphere of confidence

will not exist. The economic loss resulting from a policy of self-sufficiency is the premium which a nation pays for its insurance against disaster in war. So long as fear and lack of confidence exist among the nations of Europe there can be no return to the saner conditions of world economy. Security and economic nationalism are so closely interlinked that they must be regarded as one problem.

How has economic nationalism affected Great Britain in particular? After many fruitless efforts to re-establish freer trade she herself was in the end driven to abandon it and seek compensation for lost markets by the expansion of her inter-imperial trade under a system of Protection and Imperial Preference. Inevitable as the adoption of this policy may have been there is no gainsaying the fact that it has added to the evil of economic nationalism. The enormous purchasing power of the Empire is a matter of vast importance to the rest of the world. Before the Ottawa Conference of 1932 Britain took one-sixth of the world's exports and the Empire as a whole one-third. The United Kingdom itself was by far the largest single importing market in the world. Any closing of this wide-open door was bound to cause alarm and to inflict much more suffering than far higher protection by States of lesser commercial importance. The fiscal policy of the Empire as a whole tends to restrict, for other nations, the British markets now representing a fifth of the world's population.

Many countries have been seriously affected. The further the process goes towards establishing a monopoly over this extensive and richest part of the globe, the more the Empire will become an object of envy on the part of "Have Not" Powers and therefore the greater will become the necessity for its effective defence. In the days when Great Britain built two keels to the one of the next greatest naval Power and when imperial fiscal policy guaranteed the freedom of trade to all nations, the effective protection of the Empire did not weigh heavily on the Mother Country. But now that there is a growing tendency to reserve the Empire's markets for interimperial trade, and there are so many hungry nations about, that task has become exceedingly onerous, as the Second Great War has clearly proved. In any case, the adoption of a protectionist policy for Great Britain, together with Imperial Preference, is bound to play a part of ever-increasing importance in British foreign policy and greatly alter its character. "Ottawa" (for foreigners are apt to name the whole of our protection policy from that part of it which is concerned with imperial Preference) was not a direct cause of the war but was certainly one of its antecedents.

Can it still be maintained that British foreign policy has been of late years, in the words of Sir E. Crowe, "so directed as to harmonize with the general desires and ideals common to all mankind and identified with the primary and vital interests of the other nations" which he maintained to be essential to guard against the danger of the Empire "being overthrown by a general combination of the world"? Does this one small country imagine that it alone can carry the burden of imperial defence or hope that foreign Allies will invariably come to the rescue of an exclusive system from which they are partially shut out?

GREAT BRITAIN'S ECONOMIC POSITION

How does Great Britain stand as regards her own productive capacity and competitive strength? She no longer possesses a monopoly in manufactures. Other nations have not only equalled her, but in some respects they have overtaken her, especially as concerns the application of science to industry, and in modern industrial organization as regards mass production. She is hampered by all the concomitants of an old and highly developed industrial state still strongly imbued with the spirit of individualism. Her trade unions are opposed to all changes likely to affect the interests of labour, and she is now apparently about to embark on an ambitious programme of social services which is bound to increase the cost of production and reduce her capacity to compete in foreign markets unless subsidies or bilateral agreements come to the rescue. Since oil and hydro-electric power are gradually supplanting coal, she no longer possesses the same superiority in the sources of power. Unless Britain can find markets, especially among the Empire's large coloured populations, there is small chance of much improvement in her inter-Imperial trade, since the unlikelihood of a rapid increase in the white population of the Empire, which now stands at the low figure of only 25,000,000 (excluding the United Kingdom), offers little opportunity for expansion.

Though before 1939 Britain still owned one-third of the world's ships, her supremacy as the carrier of the world's trade has also suffered. Since 1921 British shipping steadily declined. Between 1921-37 the tonnage of other Powers rose from 29,837,841 to 48,849,519. That of Great Britain fell by nearly 2,000,000 tons.¹

The monopolistic position in trade and commerce which Britain held for so long, and which gave her such predominance, also made her the banker, and the sterling bill the currency, of the world. Her financial strength enabled her to supply the world with capital, one of the chief sources of her political power.

Two Great Wars within a generation have made great inroads into Britain's accumulated wealth and imposed upon her such heavy financial burdens that she no longer enjoys the same money power as in the past. The processes of manufacture are now the property of all nations and the competition which this engenders is continually diminishing Britain's industrial lead. More and more is she likely to have to share her former advantages with other nations. The diminution of her invisible exports and the disappearance of her overseas investments will require increased effort to restore them. The load of debt and taxation can hardly fail to impair her competitive strength while the effort to maintain a high standard of living on reduced means will lower the ability to save. If the actual damage caused by war can be fairly quickly repaired, the wealth destroyed cannot be replaced without many times increasing the national effort. Wholesale repudiation of debt is no remedy, for it only adds to this destruction by reducing purchasing capacity and the ability to save and invest which are essential to recovery. But there may be consola-

¹ What the position will be after the war is, of course, uncertain.

tion in the reflection that all the great belligerent Powers are in the same boat. Nevertheless it is well to remember how quickly Germany recovered after the last war and within twenty years reached her former degree of strength.

GREAT BRITAIN'S MILITARY POSITION

Great Britain has lost many of her military as well as her industrial advantages. "Possibly," wrote Benjamin Franklin in 1782, "men will have learned [he gave it 1000 years] how to disengage from great bodies their weight and give them absolute lightness which will facilitate transportation." The premature fulfilment of that prophecy has produced the most drastic change in the military situation of Great Britain within the last thirty years which is the loss, through the growth of air power, of her insular advantage of comparative immunity from attack. Up to the First Great War, sea power was her safeguard against invasion. It ensured the safety of her seaborne traffic and her essential food supplies. Today that immunity has to be secured as much by air as by sea power. The advent of the bomber has transformed Great Britain into one of the most vulnerable of nations. Today she needs supremacy in the air as well as at sea to maintain her immunity.

As regards sea power Great Britain was forced, after three centuries of naval supremacy, to accept parity with the United States of America under the Washington Treaty of 1922, recognizing that, unless she did so, the resources of America both in money and man-power would soon outstrip her. The withdrawal of Japan brought that Treaty to an end in 1936, but that fact does not really affect the position.

Great Britain's absolute power may be greater than ever, but it is her relative position which determines her place among nations. In this respect, unfortunately but inevitably, she has lost much ground. By the deliberate neglect of her military, naval, and especially air power after the First Great War, Great Britain risked the very existence of the Empire and thus gave a hostage to fortune. Where would she have been but for America's and Russia's entry into the war? But what right had we to expect either of these things, and is it meet and fit that the British Empire should be kept on its feet by foreign aid? Great Britain can now no longer rely for her safety entirely on her own strength and resources. This has become painfully evident in the Second Great War. It is now only in co-operation with other Powers that she can be sure of maintaining her future security. In other words, she depends more than ever on skilful diplomacy and upon good foreign relations. However distant its realization may be, some reliable system of universal "collective security" must for these very reasons, despite its present failure, always remain her most cherished hope.

THE FIVE "LEBENS RÄUME"

Out of the present unstable and chaotic conditions, the outline of a new world order is beginning to emerge. The old supremacy of Europe, with its complementary system revolving round a single axis, has come

to an end. In its place have arisen several new solar systems, each revolving round its own sun. The single system has split up into five more or less distinct areas: the Far East, the Two Americas—North and South—the British Empire, Russia, and, lastly, Europe. These five areas are, in fact, *Lebensräume*—some actual, some in the making—though of course they are not completely self-sufficient and inevitably, of course, they overlap one another to a certain extent economically.

The first of the five in importance is the British Empire, for with its vast natural resources it comes nearest to self-sufficiency. But it is not politically homogeneous, and economic nationalism is almost as rampant within it as outside it. In every Dominion industrialization is proceeding apace and the old inter-Imperial complementary system has given way to one of competing units, so that much the same kind of economic rivalry now exists between the United Kingdom and the Dominions as there is with foreign countries. It is therefore, though the largest, not a perfect *Lebensraum*.

The two Americas—North and South—are covered politically by the Monroe Doctrine. The effect of the First Great War on Latin America was to change what was essentially a colonial economy into one of modern industrialization. The Second Great War must have greatly intensified the process. In the Argentine, Brazil, Chile, and Mexico industrialization has been advancing so rapidly that today these countries are largely self-sufficient in consumer goods. These developments have been accompanied by profound changes in political and social outlook. Conscious of their growing strength, the Latin American peoples are bent upon freeing their great export and extractive industries and public utilities from foreign control. Economic nationalism has taken a firm hold of Latin America and this, inevitably, must affect British trade and overseas vested interests. Nevertheless, the South American sub-continent is fully conscious of the fact that it owes its prosperity to world trade and therefore endorses wholeheartedly the principle of non-discriminatory trade and international co-operation laid down in the Atlantic Charter. But how far can they afford to sweep away the tariffs behind which they have built up their new industries and created large vested interests or fit themselves into any international planned economy without reverting to their pristine conditions?¹ Still there are certain indications in Latin America showing that the wind is blowing in the direction of larger economic units and that is a hopeful sign.

Although South America remains more in sympathy with Europe than with the United States, and in some respects more closely connected with the old world economically, the effect of the Second Great War is likely to strengthen the hold of the United States over the whole of the Western Hemisphere. Latin America is still to a great extent an unexplored continent and offers a very promising field for development. In this respect it is already in the financial grip of the United States. The political pull and the financial hold which North America has over Latin America bid fair to make that area into an American sphere of influence.

The strength of the United States lies in superiority of mechanical equipment, the efficiency of which reduces to a minimum the employment

¹ *The Times*, May 16th, 1942. "South America Looks Ahead".

of labour and so enables a very high wage level to be maintained without affecting competitive strength. But the real advantages which the United States has over Europe lie not so much in her superior industrial system as in the conditions in which she has been able to set it up. The vast extent of her territory, her unlimited natural resources, and her huge population constitute an enormous free trade area and create conditions of supply and demand on a scale with which no single European country can compare, though Russia in the end may come to rival it. It is the freedom of trade over such a vast *Lebensraum*, and not her high tariff against the outside world, which gives the United States her advantage.

Russia, stretching across two continents, constitutes the third great *Lebensraum*. Russia aims at becoming not only economically self-sufficient but also the world's greatest military power. Her immense wealth in natural resources, though probably less than that of the United States, and her steadily growing population, which already numbers 165,000,000 (exceeding that of the United States), may well justify that hope.

The fourth great economic area is in the Far East. Japan too yearns after a *Lebensraum*. Japan's development bears a striking similarity to that of Germany. We find the same mushroom growth from a backward, nay, a mediaeval, state to a first-class Power within the brief space of fifty years; the same belated arrival in the scramble for colonies; the same unhealthily rapid growth of industrialization, the same dearth in natural resources; the same collective tendencies ending in totalitarianism, the same urge for expansion to secure markets and independent access to raw materials leading first to militarism and finally, with the "Co-prosperity Sphere for Asia" as the counterpart of Hitler's New Order in Europe, to gangsterism, and above all the same superiority complex which, if anything, outstrips that of Nazism, for the Japanese claim for their Emperor and for the nation divine descent which not only entitles them to be lords of creation but which they also accept as proof of their invincibility in arms. These pretensions make the Japanese as hateful to the rest of Asia as Nazism is to Europe; in a word we have here the same phenomenon sprung from the same causes.

It is important to understand the Japanese point of view having regard to Japan's political, economic, and social circumstances. It has been tersely expressed by a well-known Japanese scholar, Professor Ryutaro Nagai, writing in the *Japan Magazine* in 1913:

"The world was not made for the white races, but for the other races as well. In Australia, South Africa, Canada, and the United States there are vast tracts of unoccupied territory awaiting settlement, and although the citizens of the ruling Powers refuse to take up the land, no yellow people are permitted to enter. Thus the white races seem ready to commit to the savage birds and beasts what they refuse to entrust to their brethren of the yellow race. Surely the arrogance and avarice of the nobility in apportioning to themselves the most and the best of the land in certain countries is as nothing compared with the attitude of the white races towards those of a different hue."

Japan's aim is to create a political and economic hegemony over the Far East and the Pacific. It is for this that she entered the

Second Great War. She would, if she could, develop a planned and closed economy for this vast area. Her economic structure resembles that of Germany. It rests upon close co-operation between state and industry for the conquest of foreign markets. Her large-scale rationalization schemes, her gigantic mergers not only for manufacture but for the supply of raw materials, for shipping and for banking, the concentration of capital of widely different industries under a single financial control—in short, her whole internal organization is a powerful political weapon in the furtherance of economic nationalism and imperialism. As in the case of Germany, Japan's over-rapid economic development created the same irresistible impulses for expansion and the same explosive qualities.

The industrialization of Japan is only the prelude to that of China. Indeed, it was already on its way in that country before the Second Great War, which has now greatly stimulated it. What has hitherto retarded China's progress is her lack of experience, but in the fulness of time Chinese competition with the West is bound to make itself felt. China needs only peace, leadership and capital to set in motion all the latent forces of a highly intelligent people coupled with the advantages of the largest population, the lowest wage level in the world, and freedom from restrictive legislation.

"The white workers," says Mr. Hyndman in *Awakening of Asia*, "cannot hold their own permanently against Chinese competition in the labour market. The lower standard of life, the greater persistence, the superior education of the Chinese will beat them all; and will continue to beat them."

Then, to quote Mr. Lothrop Stoddard's words:

"The day when any considerable fraction of China's laborious millions turn from the plough and handicrafts to the factory must see a portentous reaction in the most distant markets."

Professor Pears many years ago prophesied China's industrial development.

"Does anyone doubt," he asked, "that the day is at hand when China will have cheap fuel from her coal mines, cheap transport by railways and steamers, and will have founded technical schools to develop her industries? Whenever that day comes she may wrest the control of the world's markets and especially throughout Asia from England and Germany."

Let us not be deceived by China's present political weakness. The Revolution of 1911 marked a turning-point in her history. Despite many appearances to the contrary, it was a real awakening and the strides which China has made in adapting herself to Western methods in the last quarter of a century are very remarkable. "A vast change," says the American Economic Mission's Report for 1936, "is coming over China, a modernization that, as compared with ten or five years ago, marks many centuries."

In this view many competent observers concur. In endurance, efficiency, and intelligence, the Chinese worker has no superior and he is better fitted than any other to weather economic strain. But the economic weakness of China lies in her comparatively meagre resources of raw materials, especially iron and coal. These essential materials are only to be found in close proximity in and near Manchuria, but elsewhere in China they are scattered over wide distances and in no great supply.

It will take decades for China to become completely industrialized, and that can hardly be brought about without the financial and technical assistance of the West on a very large scale and for a considerable time. The West still possesses the advantage over the East in the quality of high-class goods, though the margin is continually narrowing. For a long time to come the East will not be able to dispense with either the products or the markets of the West. Still, the progress of Eastern industrialization is bound to have a profound effect on the West; less, at first, from the point of view of competition than from the necessity of readjustment involving enormous expenditure on industrial equipment.

The fifth and last of the *Lebensräume* is Europe, but it is no longer the old Europe with its unchallenged predominance in a unitary world system. Since the First Great War it has been a Europe politically distracted, dominated by fear, torn by internal dissensions, hatreds, and jealousies, and economically strangled by the spread of economic nationalism; a Europe with her prestige sadly tarnished, and white supremacy badly shaken. Europe has lain prostrate under the heel of Hitler. Unless she can achieve some sort of unity, her predominance in world affairs may pass away for ever.

Though the economic dangers which threaten Europe from without may be less imminent and less obvious than the troubles which await her at home after the Second Great War, they are none the less very real. The more immediate problems, however pressing, should therefore not be allowed to blind statesmen to this latent menace. The future cannot be allowed to look after itself without incurring grave risks.

The real *Lebensraum* of all peoples is the world. The national *Lebensraum* contains the germs of unending conflict, as the military adventures of Germany, Italy, and Japan have now so clearly shown. But if a world *Lebensraum* is as yet still beyond our reach, may we not all the same hope to attain it ultimately through the intermediary stage of the continental *Lebensraum*? The movement towards continental integration might begin by regional groupings of areas constituting economic units.

Just as the 15th century ushered in the age of Great Powers and power politics, so the 20th century may be heralding what may be conveniently termed the Continental Era—the age of large economic areas. We must now search for a new equilibrium—equilibrium intercontinental rather than international in character but with universality as the ultimate aim. Therefore we must be on our guard against creating any exclusive system. It is no longer a question of Great Britain holding the balance of power in Europe so much as of Europe and the British Empire together holding the balance between the continents.

For Great Britain all these changes are deeply significant. They have created a completely new constellation of world power. British diplomacy has lost the advantage of supremacy in physical and economic

power which formerly stood behind it. Britain must therefore, in future, rely more on her moral leadership than on her military might—and to lead is a greater thing than to dominate. For this, however, her statesmen need a broader vision and a fuller understanding than when she had everything all her own way. Britain's safety will depend more than ever on skilful diplomacy and constructive foreign policy.

CHAPTER XI

GREAT BRITAIN IN EUROPE

"Where there is no vision, the people perish."

PROVERBS XXIX, V. 18.

"Unity in all things essential, freedom in all things non-essential, charity in all."

WILLIAM PENN.

IF the history of the League of Nations teaches us anything, it is surely that universality, whether in the political, or economic fields, is as yet beyond the reach of man.

In the present state of world society the diversity in moral, cultural, and educational standards, the conflicts of economic interests and political ambitions are too great to admit of a common outlook without which it is just as impossible to establish the rule of law among sixty-one nations as it is to organize the whole world on the basis of an ever-expanding economic interdependence.

It would be unfair to accuse the peacemakers of 1919 of lack of breadth of conception, for nothing could be more liberal than the lofty idealism which inspired the League Covenant. What they failed to see was that the world as a whole was not ripe for such a sweeping metamorphosis. The Atlantic Charter seems to aim once more at universality, presumably on the assumption that this time, after bitter experience, the world will be ripe for it. The Charter lays down broad principles for a new world order based on liberty and on security for all nations, victors and vanquished alike, against want and aggression. But it is wisely silent on the ways and means by which the millennium is to be attained.

Shall we be any nearer to the goal of universality after the experience of the Second Great War? If that is still beyond our reach, let us concentrate on Europe first. Experience has shown that when Europe is at war, the whole world is at war, and that when Europe is at peace wars elsewhere become localized. To ensure the tranquillity of Europe therefore is to remove the world's chief danger-spot.

Europe can be saved only if the nations which compose it can free themselves from pre-war prejudices and conceptions and bring themselves to think on broader lines than in terms of nationalism and sovereignty. They must come to visualize the continent and not the nation as the economic unit of the future, as the first stepping-stone to world unity. We must all begin by being good Europeans rather than good nationalists, and then follow on by being good world citizens, rather than good Europeans.

The first step in the new order for Europe must of course be a new territorial settlement based, not on the *status quo ante*, for that would

only bring renewed trouble, but on substantial justice tempered by economic and political expediency. Above all, it must not contain the germs of another war. Political stability must precede economic prosperity and social security. Difficult and inevitable as the new territorial settlement may be, it is not the fixing of frontiers which should be the main pre-occupation of the statesmen and diplomatists of the future, but the blurring of them by making them as meaningless as possible through the encouragement of international activities across them.

Though we shall not be able to escape from self-determination in settling frontiers, let us not blind ourselves to the fact that however morally and theoretically sound that principle may be, it places the emphasis on sovereignty and nationalism, both of which should by now be outmoded conceptions. These should be discouraged and not encouraged, for the more states there are with complete liberty to adopt policies in defiance of the trend of modern developments, the greater the danger to the maintenance of peace. The welfare of all states, and the independence of the small ones in particular, will be better served by the economic integration than the political subdivision of Europe. Once the map of Europe has been re-drawn, the paramount problem to be faced will be how to reconcile economic integration with political self-determination.

Before discussing this question, let us be sure in our minds what really constitutes Europe. Is Great Britain, the heart of a vast overseas Empire in which she is primarily interested, really part of it? Is Russia, with her federal system stretching across Asia to the Pacific, to be included in it?

The answer to the first question is that Great Britain is not only geographically and economically part of Europe but also the link between that continent and that other great *Lebensraum*, the British Empire. By that very fact she is pre-eminently fitted for leadership in Europe. Britain can only perform this task if she has the support of the Dominions in her European policy. She cannot afford to tear herself away from Europe, but unless she has the Empire's support in her European policy she may ultimately have to choose between Europe and the Empire, a predicament which she must at all costs avoid. The Dominions therefore cannot stand aloof from Europe without risking the disruption of the Empire. If the population of Great Britain continues to decline at its present rate, the time may eventually come when the centre of gravity of the British Empire will shift from the Mother Country to one of the Dominions, thus reducing the position of these islands to that of an outpost.

Russia, as we have seen in a previous chapter, is one of the five great continental *Lebensräume*. Nothing of course could be more welcome than her loyal co-operation in the reconstruction of Europe and her inclusion in the new order. She has endorsed the Atlantic Charter and has since pledged herself at the Moscow and Teheran Conferences to co-operate with Great Britain and America after the war. Nevertheless, it may prove difficult to blend the Bolshevik ideology with the principles upon which the democratic Powers will seek to base the new Europe. We can only hope that there will be sufficient common ground upon which to found a policy of co-operation.

As in all great wars, the causes of the present conflict are composite. There are three main causes to prevent the renewal of which must be the supreme task of the United Nations if we are to destroy Germany's will to war.

First, the problem of Germany's over-industrialization and over-production—the cancer of Europe—will have to be dealt with in such a way as to prevent a renewal of the urge for political and economic expansion. Secondly, German militarism, so largely stimulated by the prodigious growth of industrial power, must be eradicated. Thirdly, once Nazism has been destroyed the teachings of German philosophy to worship war must be stamped out by new educational methods. Therefore the three pillars on which the peace of Europe will depend are economic, military, and moral.

(a) ECONOMIC DISARMAMENT

No matter how great our loathing of her morals, methods, and predatory ambitions, we cannot, nor do we want to, destroy Germany; for she is an essential part of the economy of Europe and we shall need her collaboration no less than our own efforts to repair the ravages of war. Nevertheless, we cannot compromise with the forces of evil. We must at all costs safeguard Europe against further German aggression. We cannot be content with the mere elimination of Nazism, the punishment of its criminal leaders and the destruction of Germany's war potential. We must also be clear in our own minds as to what should be set up in its place. Nor must we ignore Germany's essential economic needs. Without Germany's loyal co-operation in the building up of a new Europe, no efforts of the United Nations can succeed. Even so we shall be faced with the formidable problem of preventing Germany from regaining her old predominance in any co-operative system, and thus achieving by peaceful means what she failed to accomplish by force of arms—a German economic hegemony of Europe.

How can we guard against the recurrence of such an abnormal phenomenon as Nazism? How can we prevent the German economic structure from ever again developing that dynamic urge for expansion which ultimately leads to war?

Politically the suggestion is sometimes made that Germany should be split up into her original component parts, thereby destroying her unity and the domination of Prussia. To restore that "archipelago" of some 296 sovereign states, or even the 38, to which they had been reduced by 1814, most people recognize as too fantastic to deserve serious consideration. But there is a school of thought which advocates the political reconstitution of Germany on the federal principle and the creation of an equipoise between a small number of the larger states of more or less equal political weight, thus reducing Prussia to the level of equality with the others. For instance, it has been suggested that the state of Hanover might be resurrected, that the Rhineland might be separated from Prussia and formed into a new state. These, together with Bavaria, Würtemberg, Saxony, Baden, and Prussia, might constitute a confederation of seven states. These ideas, largely proceed from the fact that even

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Though we shall not be able to escape from self-determination in settling frontiers, let us not blind ourselves to the fact that however morally and theoretically sound that principle may be, it places the emphasis on sovereignty and nationalism, both of which should by now be outmoded conceptions. These should be discouraged and not encouraged, for the more states there are with complete liberty to adopt policies in defiance of the trend of modern developments, the greater the danger to the maintenance of peace. The welfare of all states, and the independence of the small ones in particular, will be better served by the economic integration than the political subdivision of Europe. Once the map of Europe has been re-drawn, the paramount problem to be faced will be how to reconcile economic integration with political self-determination.

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as late as 1870 the southern states were opposed to Prussian rule, and that at one time such large and ancient towns as Hamburg, Cologne, Munich, Frankfort, and Augsburg were steeped in their own democratic tradition. Some believe that a constitutional monarch at the head of a democratic federal system is the best safeguard against the seizure of power by upstart adventurers; that a monarch is less likely to debase himself to the depths of depravity of which dictators have shown themselves capable; that, unlike a dictator, a monarch does not labour under the necessity of having to rely on unending spectacular successes to maintain himself in power and that the federal system with its better balance of political weight would be more likely to produce a nation with a will to peace. Moreover a monarch is regarded as being more in harmony with German tradition. Another suggestion is that Catholic South Germany should be separated from the Protestant North and joined up with Austria to form a new state. Some think that the House of Hohenzollern might be supplanted by that of Wittelsbach and the capital of the Reich transferred from Berlin to Munich or Vienna.

All these ideas aiming at the destruction of Prussian predominance ignore the fact that all the German states, including Prussia, have now completely lost their political identity. Nazism has today so entirely absorbed all Germany that to revert to the *status quo ante* now seems hardly possible. Hitler has scrambled the eggs too thoroughly. Quite apart from this we must always remember that if the Prussian jackboot taught obedience to the rest of Germany, unity also brought unprecedented economic prosperity in its train. It was the Customs Union of 1818 which paved the way for German unity. At first confined to the Prussian controlled North German Confederation, the economic advantages accruing from it soon became so marked that the Southern states were not long in clamouring to join it.

Whatever political antagonisms may have existed in the past between some of the German states, these were gradually driven underground after the creation of the German Empire in 1871. Today, Germany is economically and politically one, though spiritually she is still divided between the Protestant North and Catholic South. Industrialization has made of modern Germany—what the pre-Empire Germany was not—a politico-economic amalgam. Political disruption would, therefore, not destroy her national unity unless accompanied by the destruction of her economic structure and her Customs Union, the practicability of which is extremely doubtful. So long as there is economic unity there will be national unity despite any decentralisation of political authority.

Nevertheless it is German industry which, in the last analysis, is responsible for the German war machine, and is, therefore, the basic source of German aggressiveness. Without it there could have been no militarism. It is the destruction of Germany's war potential, not political decentralization, which should be our main objective. This can be achieved without destroying either Germany's political or economic unity.

To enforce political dismemberment in the teeth of German opposition would be a violation of the principle of self-determination. Moreover, the salvation of Europe does not lie in political sub-division but in economic

integration. To destroy Germany's national unity by crippling her politically and economically in order to keep her in a state of permanent bondage would be the height of unwisdom, because it would arouse deep resentment, lead to a dangerous outburst of national indignation and become a source of constant anxiety to all Europe. It could only be done by keeping Germany under permanent duress. In so far as the political structure of Germany is concerned, what we have got to realize is that Nazism has effected a complete break with the past. No constitutional change imposed on Germany from without can have any assurance of permanency. If there is to be a political break up it must come from within, and every German knows that in unity lies strength and prosperity. The one thing to be dreaded is the re-crudescence of rampant German nationalism. As to the restoration of the monarchy it was, and still is, held by the Germans to have been largely responsible for the First Great War and is therefore discredited. Democracy, too, having proved a failure after the last war has few adherents and so has individualism. So let us be under no illusions that any of these suggestions will provide a ready solution of the German problem.

Nevertheless, Nazism, though none of the leaders are Prussian, is the quintessence of the Prussian spirit. Prussian militarism has seized upon the whole nation. To strike at Germany's war potential is the only sure way of eradicating it.

It may be that after the bitter experience of two disastrous defeats under autocratic régimes the German people will now hanker after some form of democratic control over their rulers, but it seems very unlikely that they will take to genuine democracy. Totalitarianism has taken too strong a hold. Democracy accepted under duress can only be a passing creed. It can never become the faith of the nation. Nor would constitutional reforms alone suffice, for they would not by themselves produce a nation of practising democrats, which is the one essential condition for the successful working of any true democracy. That can only be the outcome of slow development through political education and experience under favourable conditions such as we have had the good fortune to enjoy. It is far more probable that they will seek to develop their managerial collectivist régime, which is the antithesis of party government, and possibly even adopt some kind of corporative parliamentary representation. That, of course, might lead to a resumption of an expansionist policy with all its dangers to peace, unless measures be taken to guard against it. But of one thing we may be sure: Germany's conduct in the future will be governed largely by fear of Russia. Indeed it is probable that after the war there will be a strong revulsion of feeling in favour of reverting to Bismarck's policy never to fall out with Russia. What would that portend for Western Europe?

If there is little hope of solving the German problem on the political side economically there seems to be more scope for profitable action.

Economically, there are two ways of dealing with Germany; one is to make her as dependent as possible on the goodwill of the United Nations for the supply of raw materials and foodstuffs and for admission to their markets. But that would be a kind of stranglehold

wholly opposed to the principles of the Atlantic Charter, and would only increase the causes of war. The other is to try to associate Germany in a general scheme of European re-construction which will admit her to full participation in its benefits while depriving her of the power to dominate the Continent. Obviously the latter is the preferable method.

Whatever happens Germany will always remain the hub of Central Europe, defeated or not. Her geographical position no less than her thrift, her industrial efficiency and organizing power ensure that, though she may take a long time to recover from the effects of her second great defeat. The United Nations may win this war, but unless they accept the principle of the economic integration of Europe they will assuredly once more lose the peace. Germany is so proficient in managerial organization that, in the long run, Europe can hardly escape the tentacles of the German industrial octopus, once it has recovered its strength, unless victors and vanquished alike can unite in a common economic policy. To prevent this happening must be the supreme aim of British diplomacy.

Clausewitz said that war is the continuation of policy by other means. The history of the between-war period shows that it is equally true that, under modern conditions, policy has become the continuation of war by other means. It will be the business of diplomacy to try to prevent future history from alternating between these two aspects of human conflict. That can only be done by the substitution of co-operation for competition in international relationships in default of which the First and Second Great Wars will be merely preludes to further conflicts until the fate of Europe is finally sealed.

We shall certainly not ensure Germany's loyal co-operation with the rest of Europe if her outlets are to remain blocked by a continent obsessed with economic nationalism and intent upon her political ostracism. The solution of the German problem is thus seen to be strictly dependent on the wider issue, the reconstruction of Europe.

Germany has become so expert in reducing weaker states to economic vassalage that, unless helped, the latter will not escape her stranglehold. We shall not succeed in preventing Germany from ultimately recovering her military strength if we allow her economic power to dominate Europe and defy all restraints. There must be some scheme for the economic integration of Europe into which higher unity the German structure can be absorbed in such a way as will prevent her from ever regaining her former predominance over the rest of the continent. The best way of achieving this would appear to be to de-industrialize Germany, if this is practicable, to the point where she will take no more than her rightful place in a complementary co-operative system which should be the basic principle of Europe's reconstruction. This involves, among other things, a better balance between Germany's heavy industries which produce capital goods—the source of so much evil political influence—and those which produce consumption goods, as well as between industry as a whole and agriculture. The chief aims of economic integration should be a better balanced complementary system, equality of opportunity, increased production, stability of prices and exchange, revival of international

trade and lending, increased purchasing power, a higher and more uniform international standard of living, social security, and employment for all.

But underlying all is the vexed question of sovereignty which the era of the economic interdependence of nations has brought into such prominence today and which lies at the root of the struggle between the "Have" and "Have Not" Powers. To satisfy the degree of economic independence for which Germany craves, territorial cessions would have to be on a very large scale, and that is obviously out of the question. The return of the former German colonies is equally unthinkable in present circumstances. It could not be entertained for a moment. In any case it would only go an infinitesimal way to meet her real requirements and would therefore not solve her problem. Since it will be impossible to satisfy Germany's yearning for greater economic independence territorially, can it be done in some other way? Some system of pooling of economic interests under international control appears to be the only alternative. By such means Germany's economic needs can be met. Two things she must have: (1) access to the raw materials essential to her economic life; (2) assured markets, since two-thirds of her population are dependent on her industry, and both must be under some form of international guarantee.

Unfortunately Germany hankers, not after free access to raw materials, but a larger autonomous economy without which she feels that her gigantic industrial machine is at the mercy of other nations. Will she be prepared to renounce for ever her aspirations to a better distribution of territory and remain content with dependence on international goodwill except under permanent duress? That, of course, is the crucial question.

Europe is so divided politically that most of the countries of which it is composed are neither large enough in population nor rich enough in natural resources to enable them to become even moderately self-sufficient, while the over-industrialized countries cannot indefinitely resist the pressure for expansion which intensive planning in its struggle against economic nationalism inevitably engenders. Europe is too small for a large number of competing planned economies and rival ideologies to exist side by side without sooner or later coming into collision with one another.

Some economists argue that planned economies are unsound and uneconomic. Be that as it may, they have, at least in the national sense, come to stay, and it will be the problem of post-war diplomacy to prevent them from developing into a permanent cause of war. Since we cannot solve the problem by a return to individualism and unrestricted competition, we must go with the times and carry the process a stage further, by converting the competing national planned economies of Europe into a single international co-operative economy as far as practicable, thereby lessening the clash between sovereign rights and removing what is likely to become an ever-increasing source of international friction.

But the planning for Europe would have to differ widely both in scope, character, and aim from that of a national economy. It is one thing for a state to lay down a programme to be carried out within a specified time under a régime of strict regimentation like the Russian five years plan

or the German four years plan; but it is quite another to organize Europe internationally and to adjust its many different economic structures and conflicting political creeds into a concerted uniform plan. That is manifestly beyond the capacity of statesmanship.

The problem of the economic integration of Europe must therefore be attacked from a different angle. Professor Mitrany, in his interesting pamphlet entitled *A Working Peace System*, has pointed the way. Since we cannot obliterate political frontiers by a stroke of the pen and since it is now "no longer a question of defining relations between states but of merging them" his plan is "to overlay political divisions with a spreading web of international activities and agencies, in which and through which the interests and life of all nations would be gradually integrated". He then goes on to warn us against repeating on a continental scale the tightly organized autarchy of the national planned economy which is so largely responsible for the present war. "There is little assurance of peace," he maintains, "in the mere exchange from the rivalry of Powers and alliances to the rivalry of whole continents, tightly organized and capable of achieving a high degree of, if not actual, self-sufficiency. Continental unions would have a more real chance than individual states to practice the autarchy that makes for division." Professor Mitrany then, very wisely, insists that in the present state of international political antagonisms we should be careful to prevent as far as possible the intrusion of ideological differences into any scheme of planning, for these make for division and not for unity. They are thus certain to block progress at every turn. There can be no disputing the force of this reasoning. In lieu of the continental approach he advocates the encouragement of what he calls "functional activities" across frontiers everywhere. These should be left as free as possible to develop and organize themselves separately along their own functional lines and so reduce to a minimum any political friction.

These functional activities are of two kinds. First there are those of private enterprise representing for instance the interests of the iron and steel, textile, coal, and chemical industries; or banking, insurance, and shipping. Secondly there are a number of functions which concern, not private enterprise, but governments, such as tariffs, exchanges, currency questions, aviation, employment, wage levels, standards of living, communication, wireless, the distribution of raw materials, etc., etc. All these activities, private or governmental, have got to be adjusted into the general scheme of things if we are to speak of international planning at all. Though this procedure may theoretically be sound enough, to attempt to apply it to the whole world from the start would be a task so vast that it would probably founder on the rock of universality. Assuming, therefore, that we cannot take universality as our starting-point, is it not better to concentrate in the first instance on that part of the globe where the greatest degree of disunity prevails, and therefore the greatest danger to peace, which is Europe?

There is no need to organize Europe tightly, for there is plenty of scope for planning both economically and spiritually by strengthening those links which make for solidarity and breaking down those barriers which make for division. It is precisely because political divisions are accentuated in Europe where so many great nations with conflicting

ambitions jostle one another in a very restricted space that this continent is the world's chief danger spot.

Fortunately the strands which bind Europe to the rest of the world are so numerous and indispensable that there need be no fear of her becoming an autarchy so tightly organized as to endanger inter-continental peace. The more these inter-continental ties are strengthened, the nearer we come to the ideal of world unity. Even if Europe offers only limited possibilities for economic integration they could still go a long way towards the elimination of some of the chief causes of war. There is however one point about which we cannot be too careful. In promoting the solidarity of Europe we must eschew all idea of exclusiveness and regard it merely as the first but essential step towards world unity.

If we accept the idea of concentrating on Europe first the question arises whether these functional activities should be made to conform to the higher purposes of foreign policy or should be allowed to continue to serve the ends of private interests only. Of course, the overlaying of political frontiers with functional activities is not new. It is a process which has been in progress for some time even before the First Great War but it was left too much in the hands of irresponsible private enterprise. Experience has now shown that the completely uncontrolled activities of privately owned large-scale undertakings in the international sphere drag nations into war; and the same may happen if they are controlled by aggressively minded governments. Moreover there is no guarantee that huge international combines, if left entirely to their own devices, may not fall under the domination of a single state and so be turned into an instrument of political power. If nationally the extension of government control to preserve social and industrial peace at home has been found inevitable then *a fortiori* internationally some degree of control must be even more indispensable for the preservation of peace among nations.

Thus it is clear that some kind of international governmental authority is needed if only to prevent functional activities from developing in undesirable and politically dangerous directions. They require co-ordination, assistance, and authoritative lead if they are to conform to policy. There must be no pulling in opposite directions. No planned economy of whatever type can function, let alone succeed, except under the direction of a centralized authority whether national or international. But can an international body be prevented from developing into a super-state authority entailing the surrender of sovereign rights to a degree which no state is as yet prepared to accept?

It is at this point that the question of British leadership comes into the picture. Great Britain is not only a great European Power, herself moving in the direction of a planned economy, but she has vast overseas dependencies and possessions and is the centre of the British Commonwealth of Nations. She seems therefore marked out, not only to lead but to exercise restraint when it comes to the balancing of European interests with those of other continents. But she can do this only if the Empire speaks with one voice and this implies a unison of settled principles. Thus the Dominions as well as Great Britain must see to it that their own house is in order first and that the Empire as a whole is of one mind as to the line of policy to be pursued.

The superior efficiency of the planned economy is now surely beyond all doubt. Not only Germany but Russia, too, has taught us that. Individualism has become an anachronism and is no longer able to stand up against a well-organized, well-directed planned economy of the national type. Britain cannot afford to risk defeat in a struggle against overwhelming odds after the war merely because the British people detest regimentation of any sort. Indeed, we have already been forced to abandon *laissez-faire*, which held sway throughout the 19th century. British industry is still privately owned though largely subject to the centralized authority of a few dominant concerns or trade associations and now still further integrated by war-time controls. Thus competition is no longer as free as it was. To reverse the process now is unthinkable. We are moving towards a national planned economy.

The irony of the present situation is that the United Nations have declared themselves to be fighting for democracy at the moment when economic democracy, at least in the *laissez-faire* sense, is disappearing. Perhaps we shall see a new democratic idea emerge in industry when:

(1) owners, i.e. shareholders, are relegated to the position of bond-holders;

(2) managers and workers unite their efforts: (a) to produce the best product, (b) to provide the best life for all employed.

We have had to accept authoritarianism in war and we shall reject it at our peril in peace. If Britain is to lead she cannot afford to lag behind the times. Nor can she pursue an economic foreign policy based on principles opposed to those of her domestic policy. What then will be her position? Is she well equipped for leadership abroad, having regard to her domestic situation?

Let us compare the various schools of thought on the home front.

The recommendations of the Federation of British Industries, which is representative of 182 industrial trade associations including all the biggest and most influential (though there are many smaller bodies which are not affiliated), on the subject of post-war reconstruction of British industry were made in response to a government request. They very rightly begin by emphasizing the paramount importance of international co-operation and the necessity for adjusting the balance between the industrial states and the primary producing countries, in order to increase world purchasing power. The F.B.I. recognize the inevitable modern trend towards industrial integration everywhere and point out that the trade-association movement has greatly developed during the between-war period. While it stresses the enormous advantage of industrial integration by means of trade associations it deplores the fact that the efficiency of such a system can be much reduced by the abstention of those firms who prefer competition to co-operation. It therefore goes so far as to advocate that membership of trade associations should be made compulsory.

Hardly less important is the statement of 120 prominent industrialists, published in November 1942. This document, too, emphasizes the importance of industrial integration. To quote the words of Lord McGowan, one of the signatories:

"Only through more closely knit industrial entities, welding into one body existing competitive units, can British goods enlarge their world markets."

And again:

"I am convinced that not only has the big unit come to stay but that it will be absolutely necessary if the post-war world is to be a planned organization of world trade instead of a return to highly wasteful competitive conditions nationally and internationally."

The signatories are staunch supporters of private enterprise and refuse to admit that the profit-making motive should be eliminated as "any industrial system which left it out of account would lose a vital part of its driving force. The motive of service and profit are not mutually exclusive." Industry should be subject to government control but not to government management. While fully recognizing the social obligations of industry and the claims of labour, the signatories lay down as an essential condition of progress a system of industrial integration. Subject to proper safeguards for the protection of the consumer against abuse of concentrated power they too favour the development of trade associations, and like the F.B.I. recommend compulsory membership.

In an interesting article in the *Economic Journal* of April 1942, Mr. S. Courtauld, Chairman of Courtaulds Ltd., which largely dominates the rayon industry, expresses his conviction that the progressive growth of industrial combinations has become so powerful that it cannot be allowed to go its own way and that therefore government control has come to stay, for no government can tolerate an organized and completely independent *imperium in imperio* within its own sphere of competence, and a compromise must therefore be found between individualism and socialism unless there is to be a complete socialist revolution.

A small, though important, minority of industrialists are opposed to these views, notably Messrs. Lever Bros. and Unilever Ltd., who in January 1943 published a pamphlet entitled "The Problem of Unemployment". This pamphlet deprecates the compulsory organization of industry and disagrees markedly with the views of the Federation of British Industries. It says:

"Such a scheme is bound to have a freezing effect on the whole structure of economic life. . . . It would create an atmosphere in which it would be easier to leave things as they were than to scrap the obsolete parts. The corporate organization of economic life has nowhere been tested over a long period. Its application in practice has been limited to wartime (or war preparations) economics in totalitarian states. It has never proved its efficiency in the free atmosphere of a democratic country. The ability of an organization of this kind to deal with major economic problems is, to say the least, open to doubt, nor can one safely assume that its constitution would make it suitable to consider long-term general interest without regard for the immediate wishes of its members. We feel very strongly that such a regimentation and compulsion of industry would be so alien to the national genius and abhorrent to the ordinary citizen as to

be quite unacceptable and unworkable in this country. It would involve the placing of overwhelming powers in the hands of organized industry and the public would sense in it the creation of an era of privilege, no matter what safeguards were introduced.

"In the United States an even stronger view is held against any strengthening of the existing powers of combines and trade organizations."

The trade unions regard the proposals of the Federation of British Industries with the utmost hostility. They fear that they foreshadow the corporate state, dictatorship, and the growth of centralized monopoly. They maintain that the stranglehold of capitalism must be broken, which can only be done by the nationalization of the means of production, of services, and public utilities. They are uncompromisingly opposed to these remaining in the hands of private enterprise.¹

So the struggle between capitalism and socialism continues all the while tightening the fetters of diplomacy, for how can British foreign policy take the lead in Europe so long as its own basic principles remain unsettled?

The choice lies between three systems:

(a) Privately owned, privately managed and completely uncontrolled industry—the individualistic-democratic principle.

(b) State-owned and state-managed industry (nationalization)—the socialist principle.

(c) Privately owned but state-controlled industry—the Fascist principle.

Which is it to be? (a) the democratic principle would mean the perpetuation of individualism and consequently a negative foreign policy; (b) the socialistic principle would certainly provide a basis for a thoroughgoing socialistic foreign policy, but can the nationalization of industry be brought about without a socialist revolution? (c) present developments seem to indicate that the principle of State control and guidance is the direction in which our domestic policy is most likely to move. It is the solution best suited to the British spirit of compromise, and precisely because it avoids extremes it lends itself best to British leadership in the international field. This does not imply the acceptance of a Fascist regime with all its detestable evils, but only of certain basic principles in the economic sphere which are not incompatible with present developments in the Democracies.

In the main the conflict between these various schools of thought is concerned with domestic affairs, but it cannot be too strongly emphasized that the international aspect should be the overriding consideration. If the maintenance of a lasting peace is the chief objective of our foreign policy then the choice should fall on that system which lends itself best to international economic integration. That is why it is so essential that domestic policy should conform to the exigencies of foreign policy and not the other way about.

But whatever the choice may be, the principles upon which our national economy is to be built up should become settled; for (let us be sure of this) they will form the basis of our future foreign policy. Not only should they be settled but they should be in harmony with our international outlook. Therefore we must first make up our minds as to the best methods

¹ *Target for Tomorrow*, Charles Madge.

for bringing about the economic integration of Europe. Having settled that question we must next decide the lines on which our national economy should be organized so that it can become an integral part of Europe's economy.

If we are to take the trend of modern evolution as our guide it is difficult to escape the conviction that some form of corporative system with a planned economy is going to be the basis of all industrialized states. Indeed, it is difficult to conceive of any form of planning, national or international, capitalistic or socialistic, which is not based on the corporative idea, at least in essence if not in form; the functional activities of large-scale undertakings both in the national and international spheres are bound to take the form of a corporative partnership.

Since individualism can no longer compete with collectivism and since we cannot persuade the rest of the world to return to individualism, we have in reality little choice but to accept somewhat more regimentation than we have hitherto been accustomed to, however repugnant this may be to our traditional ideas of liberty.

Therefore both socialism and capitalism must be deeply interested in any plans concerning the economic organization of Europe. Both will, no doubt, wish to see Great Britain take the lead. For this the basic principles of our foreign policy must be settled and accepted as the common ground of all political parties; not only in Great Britain but in the Dominions too, for unless the British Empire is prepared to pull its full weight in a European partnership the enormous advantage which Germany possesses in her experience of large-scale organization may still enable her to secure control and turn an integrated Europe first into a German hegemony and then into the centre of world domination. In that case integration will have facilitated and not frustrated German designs.

Foreign policy can no longer confine itself to purely political issues, for today the peace of the world depends more on the co-operation and co-ordination of international economic activities than on any other single factor; but, so long as basic principles remain fluid—and this, unfortunately, may be inevitable under a system of party government—any policy of planning either at home or abroad will be at the mercy of all the vicissitudes incidental to changes of government, and consequently there can be no assurance of stability or consistency in long-range policy of a politico-economic character.

Party differences, both at home and in the Dominions, now strike at the very foundations of society, so that unless and until socialism and capitalism come to terms there can be no solid basis upon which to build up a foreign policy. As a correspondent of the *Spectator* recently observed: "Just as the balance of power is now an anachronism in the international sphere, so is the balance of parties in the domestic." Can we afford to revert to party conflict when the one thing above all else that is needed for leadership in Europe is unity of purpose, the indispensable condition of which is social and industrial peace at home? Without it Britain can neither lead nor follow but only lose prestige and power.

Is there not still a long way to go before capitalism and socialism can be brought together? Has not capital still got the whip hand? British industry is still governed in the interest of capital and not of labour. In 1919 the Ministry of Reconstruction recommended that machinery

should be set up to meet the growing dangers of monopoly. But nothing was done; so trusts, cartels, and industrial rationalization increased without let or hindrance throughout the between-war period, not in the interests of national integration but of private gain. Is a still further increase in the power of capitalism by an extension of its functional activities into the international sphere likely to meet with the approval of socialism unless the whole nation can share in its benefits?

If Great Britain is to lead in Europe, both socialism and capitalism must take a wider view of their international responsibilities. Unfortunately both capital and labour are governed too much by motives of self-interest and lack both the vision and the spirit of self-denial when vast international schemes have to conform to high policy in the interests of humanity as a whole. To effect this requires not merely the guidance but the authority of purposeful statesmanship. It seems certain, however, that many of the wartime controls and much of their authoritarian spirit will have to be retained after the war since consideration of both domestic and foreign policy will demand it.

Today socialism is perhaps more interested in social welfare than in economic progress. Spiritual and human values count for more than material interests. Therefore no sort of planning which does not lay stress on social justice, liberty of conscience, and security from fear and want is likely to secure the support of socialism. Plenty and public service is the socialist watchword. In other words the consumers' interests must come before those of the producers.

But while Parliament talks the rhythm of the machine goes on relentlessly. The more it gathers momentum the greater will be the danger of statesmanship being swept along by elemental forces which it can no longer control. "The supreme task which Providence," to quote the late Sir Basil Blackett, "has placed squarely on the shoulders of Great Britain and the British Empire is to reconcile planning with freedom."

An inter-state regulated economy for Europe of the functional type would, it seems, come nearest to solving that problem both nationally and internationally. May it not be that such an association of international interests contains the germ of a new kind of democracy—an international democracy in which large-scale functional units, supported both by capitalism and socialism, will combine with their opposite numbers across political frontiers in a common purpose, each with its own sphere of collective responsibility and interfering little or not at all with one another's national way of life. It is only by overlaying the political map of the continent with a network of functional activities that we can hope to create that identity of interest among the nations of Europe which is the only solid foundation for a lasting peace. The final aim would, of course, be that it should embrace the world.

We may be sure of this: the trend towards greater international co-operation—despite all setbacks—will gather momentum as time goes on. If it is left to be carried out by uncontrolled private enterprise, and if there is to be renewed competition between collective and individualistic systems, all the old egoisms will recrudesce with increased intensity and will produce more wars.

Planning of whatever type must, to be successful, be empirical and flexible. It should be applied only where it is strictly needed in the

interests of social welfare and economic advantage; there should be no blind adherence to doctrinaire principles for the sake of satisfying theoretical conceptions. Further it should have its roots in the past and follow the path of organic evolution. The functional approach seems best calculated to fulfil those conditions. Practical ends, not theory, must be the sole criterion.

Planning on a continental scale, despite certain objections and risks, should, given reasonable precautions against abuse of power and theoretical obsessions, be less dangerous than a number of nationally planned economies and rival ideological creeds competing with one another in an area so cramped and congested as Europe. Planning internationally offers the best guarantee of peace because it fosters community of interest and militates against imperialism. The larger the area covered by the planned economy, the greater will be its contribution to world prosperity.

Just as we fought revolutionary France and subsequently adopted many of her doctrines, so we shall be obliged to assimilate many of the ideas percolating through the world today. Not all that is democratic is good; nor all of other political creeds bad. We must find a way of assimilating the best features of all schools of thought based on the lessons taught by the clash between the extremes of totalitarianism and *laissez-faire*. That, of course, will result in some form of collectivism. The totalitarian states must become less dragooned and less tightly organized and the democracies more organic and disciplined. There must be a better distribution of wealth between nations as well as within nations. The British people should, when dealing with foreign countries, remember, that if the despoiling of the rich for the benefit of the poor meets with favour at home, the same principle should equally hold good when applied internationally, in which case the British Empire must be counted among the rich. It is not suggested that the British Empire should be shared out among other countries, but that there must be no economic monopoly. Peace between nations is no more possible than peace between classes without readjustments between the rich and the poor. This implies that every nation must learn to regard the possession of its natural resources as a trust for the benefit of all humanity and not primarily as a source of national profit. No order can thrive wholly divorced from tradition. No order can survive which remains wholly static. The most stable is that which, having its roots in the past, adapts itself to changing conditions and progresses by evolutionary stages.

International planning will work smoothly only if brought about through the willing co-operation of free nations and not through tyranny and oppression after the Hitler fashion.

Hitler, too, aimed at the economic integration of Europe. Odious, devilish, and soul-destroying though his methods were he at least pointed to the direction in which the salvation of Europe should be sought. Had Hitler championed a new order on a basis of common consent and partnership among free nations he would have done a service to the whole civilized world. Had he been a good European first and a good German afterwards, he might have solved the European problem, inaugurated an era of unprecedented prosperity, and gone down to history as the greatest statesman of the age and not as the greatest wrecker, mass murderer, and slave-driver of all time. But his insensate lust for

power and domination, his treachery, his moral obliquity and his sadistic brutality made him forget Goethe's famous dictum: "*in der Beschränkung zeigt sich der Meister*".¹

"*S'il en a conscience,*" wrote M. de Reynaud of Hitler in his *l'Europe Tragique*, "*ce que je doute, ou s'il arrive à en prendre conscience, ce que j'espère encore, alors l'Allemagne sera vraiment, ce qu'elle doit être le centre de l'Europe; sinon elle en sera le cratère.*"

A planned economy for Europe should mean the pooling of economic and financial interests when and where expedient. It implies not merely the creation of a large free-trade area by the gradual removal of trade barriers, but also the adoption of a policy of international rationalization in many directions. Broadly speaking, it involves the highly complex problem of international organization on a complementary basis and the subdivision of labour on an international scale. The financial burden imposed by war can be lifted only by rapid re-creation of wealth, for only so can the purchasing power of the masses and their standard of living, which should be the chief aim, be augmented in all countries. Repudiation of debt would only destroy purchasing power and reduce the standard of living. On the solution of that formidable problem depends the immediate future.

The development of backward areas dependent upon Europe—such as the African continent—must bulk large in any programme of international planning, for their exclusion would certainly be disastrous.

We must never forget that the solidarity of Europe is merely the first step towards world integration—the nucleus of a future world order. Agreement among the four or five great Powers of Europe would probably suffice to bring the rest into the fold. But it is essential that the European system should be sufficiently loosely knit to admit of the participation of non-European units so that it shall not become a challenge to the outside world.

The building up of a world economy can be best achieved by beginning with a loose integration of each continental unit on a regional basis. In Europe a selection might perhaps be made of those areas which constitute natural economic units, especially those which overlap political boundaries and which could be organized regionally. Such an area would be the Ruhr and the Saar in Germany, Belgium, and part of the Netherlands, Luxembourg, Lorraine, part of North-Eastern France, based on iron and coal: another would be Upper Silesia, overlapping Poland, Czechoslovakia, Austria and Eastern Germany; then there is the district of the Upper Rhine where France and Switzerland converge; and there are several other such areas distributed over Europe. It would be an interesting study to dissect the map of Europe into those areas which constitute natural economic units with a view to integrating them as regional economic autonomies, but if they are to act as bulwarks against economic absorption by any single Power, supreme control must be vested not in financiers and industrialists but in the governments

¹ The master shows himself by his moderation.

concerned. This should help to create that identity of interest so essential to the solidarity of Europe. Though the co-ordination of the various elements which go to make up an international planned economy implies the acceptance by all of a certain amount of regimentation and even some derogation of sovereign rights, the more blurred political frontiers become, as a result, the better the chances of a lasting peace.

The salvation of Europe will depend upon the wholehearted co-operation of America, Russia and the British Empire, which implies agreement as to the basic principles upon which the New Order is to be built up. Though it may at present be difficult to see how the socialistic structure of Russia can be harmonized with the profit-making motives of American capitalism, or even with Britain occupying the position of a half-way house, still the differences in ideological outlook which have characterized the past need be no indication as to developments in the future. The complete revolution which is taking place in social, political, and economic values all the world over render all speculation on this question idle, if not actually dangerous.

It is not claimed that the continental approach by stages is an ideal method or free from objection. Admittedly it is at best a *pis aller*. Many will no doubt hold that even if Europe is not tightly organized it implies a most dangerous and unnecessary challenge to the coloured races, particularly when sponsored by an Empire which has a larger coloured population than white. Some may think that it would substitute inter-continental for inter-national strife and that therefore this dangerous phase should be skipped at all costs. But even if we admit the force of this argument, what is the alternative, if the time is not yet ripe for universality, but to slip back into the far more dangerous conditions of pre-war days? But is it not much more difficult to move whole continents to aggression than single nations? Does not the example of the United States compared with South America show that the larger the area of co-operation the wider is the spread of the wings of the angel of peace? There will of course always be rich and poor individuals, nations, and continents, but whereas war between classes is continuous and war between nations sporadic, war between continents, though not inconceivable, is difficult to visualize.

Of course, if conceived in an offensive spirit and deliberately aiming at a white hegemony over the coloured world the solidarity of Europe would become exceedingly mischievous and dangerous. But is there any reason to anticipate this? On the contrary, the idea of white solidarity should be no more than a defensive precaution. It should regard itself not as an exclusive society of nations but merely as the nucleus of the future world order ready to co-operate with every like-minded nation or continent. The white world after the war will, it is to be hoped, have discarded imperialism. Its outlook will be governed by the democratic spirit from which the coloured world will have nothing to fear and much to gain. But if aggression is to come from the coloured races then surely there is every justification for white solidarity? In any case, the economic integration of Europe so much to be desired in the interests of peace implies a continental approach to world integration and, in a measure, white solidarity whether deliberately aimed at or not.

If European solidarity has become a necessary alternative to internal

continental disruption as well as an essential protection against other continental groups, very special care will have to be taken not to antagonize the latter but to do all that is possible to induce them to co-operate with Europe. The more Europe succeeds in winning them over, the nearer we come to a real brotherhood of nations as was contemplated by the League of Nations.

A considerable time—probably not less than two years—may elapse between the Armistice and the signing of Peace. During that interval every effort should be made to lay the foundations of the future co-operative Europe in such a way as to inspire confidence in victors and vanquished alike, for without that there can be little hope of speedy recovery. When passions have subsided there may be a better prospect for a negotiated rather than a dictated peace which can only leave rancour, hatred, bitterness, and a desire for revenge on the part of the defeated nations behind it.

In the economic sphere it will hardly be possible immediately after the war to do more than lay down some general principles for co-operation. Whatever international machinery it may be found necessary to set up for the work of co-ordination the more unobtrusively this is done and the more silently it can be made to operate the more likely is it to circumvent political obstruction. Nevertheless the task of reconciling all the conflicting elements and interests which co-operation covering so wide a field must involve will call for large-scale thinking and a vision far transcending the bounds of national tradition, as well as for great driving power, infinite patience, and inflexible determination—in short, the highest qualities of leadership and statesmanship. For the rest, success must depend upon the sincerity and loyalty of all the collaborating Powers.

After the Second Great War the time will have come for the nations of Europe to sink their differences and lift their patriotism to a higher plane than that of the narrow, outworn, though unfortunately still strong worship of nationalism. Cannot patriotism be made capable of a wider loyalty and still retain much of the exclusiveness which differences in culture, in language, and in geographical conditions prescribe? Has it not, throughout the ages, been in process of expansion from the family to the tribe, from the village to the city state, from the city state to the principality, from the principality to the nation? Why not, then, to the Commonwealth of Europe as the first step towards world unity?

In the coming peace settlement we should not allow the heat of passion to obscure the light of reason; we should approach all problems in a peace mentality and reject all that savours of vindictiveness or of a desire to inflict humiliation on our fallen enemies. Nevertheless let the punishment fit the crime. Let there be retribution in full measure provided it is not of a character likely to recoil on our own heads. For the arch-criminals responsible for the war and its atrocities there must be no mercy. But whatever the deserts of the German people for having so willingly imbibed the satanic Nazi doctrines, it will be wiser to concentrate on the future and to remember that we too are not completely free from blame, for if the Germans can be convicted of the sins of commission so can the United Nations of those of omission. We should see to it that the punitive spirit does not dominate the peace settlement because outraged democracy may once again demand it. That can only breed revenge.

Revenge is the great disadvantage of resounding victory. If it is to be a question between a soft or a hard peace, the choice should be on whichever is the more conducive to a lasting peace. Let us remember the words of Gambetta: "Nothing is more dangerous to a nation than victory. Very few people know how to taste a victory without being swallowed up by it. Defeat is the supreme stimulus for a nation of spirit."

(b) MILITARY DISARMAMENT

Universal disarmament is the best, though not an absolute, guarantee against war and therefore the most cherished aim of the United Nations. But that is still a long way off. The first step in that direction must be the unilateral disarmament of the Axis Powers and especially of Germany, and this time it must be thorough. Germany must of course be occupied for a considerable time. There are no insuperable difficulties in destroying the enemies' war potential. It can be done by forbidding a standing army, navy, and air force above a certain strength; the dismantling of all armaments plants; the prohibition of the manufacture of all war material, an effective control of the iron, steel and chemical industries and the creation of an efficient system of international supervision, provided always that there is the will to enforce it indefinitely. That, however, implies an inflexible determination on the part of the United Nations supported by an overwhelming preponderance of military power as contemplated by the recommendations of the Dumbarton Oaks Conference, until such time as it may be deemed safe to relax control and proceed with general disarmament. For a while no doubt, the United Nations can be relied upon to act in unison, but in the long run can such fixity of purpose be counted upon? It is therefore of paramount importance to avoid creating conditions under the Peace Settlement likely in the near future to cause a change of sentiment in Germany's favour and dissension among the United Nations, for Germany is a past-master in the art of organizing sympathy. Of one thing we may be sure, and that is that Germany's hatred—not to mention that of Japan—will be turned against Great Britain in particular for having been the principal agent in balking her of her victory. Unilateral disarmament will greatly intensify German bitterness.

Though once again we shall have no option but to compel Germany to disarm—and for that matter the other Axis Powers too—compulsion is a bad counsellor and it cannot endure indefinitely. The longer it lasts, the more intense will become German rancour and truculence, the more remote will be the prospect of Germany's loyal co-operation in the work of Europe's reconstruction. "One of the chief lessons of history is the resilience of nations. Great Powers cannot be kept down for very long and the more they are trampled on the more vigorous will be their rebound."¹

If German disarmament is an essential prerequisite to peace, but at the same time militates against co-operative reconstruction, what policy should the United Nations pursue? There can be no other than to try to shorten the period of duress consistent with safety by convincing the Germans that they stand to gain more by collaboration than by

¹ *Studies in Diplomacy and Statecraft*, G. P. Gooch.

military adventure. Only so will they be likely to abandon their dreams of world domination and accept co-operation and collective security in good part. That will be no easy task for, to the Germans, the lessons which failure teaches is more likely to be the avoidance of mistakes when the occasion of the next bid for world domination occurs than any admission of the necessity for a change of heart. We can only hope that a second disastrous defeat will this time have a chastening effect on the German will to war.

Even with agreement in principle the problem of universal disarmament bristles with practical and technical difficulties. The more nations it embraces the greater these become, since the safety line for each country and the character of its armaments vary according to the political and geographical circumstances in which it is placed. Apart from the question of air power, which is of equal importance to all, the needs of Great Britain are chiefly naval, those of Germany military. Germany with her eleven neighbours has a longer land frontier to defend than almost any other state in Europe, except Russia. France has better natural frontiers but a smaller population and, like Britain, has an overseas Empire to defend; Russia has two enormously long frontiers, and so on. Then again, if collective security is the aim it may well be asked how can one expect those states who have no overseas possessions to help defend those that have unless they are given a stake in them? This shows how interdependent are the problems of military and economic disarmament. To be permanently effective, military disarmament must rest on a foundation of equity and security. Unfortunately, strict justice implies the adjustment of inequalities to a degree impossible of attainment, while the security of one nation only too often involves the insecurity of another.

(c) MORAL DISARMAMENT

Moral disarmament presupposes the creation of conditions which will restore confidence, eliminate fear, and promote international goodwill. Without common ideals, there can be no true European co-operation. Moral disarmament can be secured only if all the European states give priority to policies which envisage the welfare of Europe as a whole and not to purely national interests. If the nations of Europe—as indeed of the whole world—desire to live in peace and concord, they must all begin to realize that the age of expansion is over and the age of contraction has begun. That is the first step towards better understanding and mutual confidence. It means that all nations must modify their conceptions of sovereignty. This does not imply the suppression of national entities as such, but it does mean that the “Have” Powers must be prepared to make substantial concessions for the common good and for the sake of peace in return for valid guarantees by the “Have Not” Powers against aggression and domination. Nationalism must give way to internationalism if there is to be peace on earth and goodwill to all men.

A federal system for Europe has frequently been discussed. Unquestionably, were it practicable, it would make for peace because it implies a super-state authority, without which there can be no absolute guarantee against war. But federalism is always difficult to bring into being and, when established, to work, unless there is at the start a very high degree of homogeneity and a large measure of common interests and ideals among

the constituent parts. Can any of these prerequisites be said to exist in Europe today? The geographical configuration of Europe, unlike that of the larger continents, unfortunately favours separatist tendencies, making for political subdivision rather than unity. Differences in language, culture, religion, national characteristics, and political outlook, therefore, tend to be sharper. The elements of which Europe is composed are, despite its colour unity, too heterogeneous to warrant the hope that a federal system would work smoothly. It is true that the Soviet Union provides us with an example of successful federation on a continental scale. Russia has a diversity of races, climate and culture almost as great as that of Western Europe. Her peoples speak sixty-two different languages and profess nearly as many religions. But the Soviet Government insist on unity of political outlook, despite almost complete local autonomy, thus providing an effectual safeguard against the spread of nationalism, the main cause of modern war. But, however desirable such a system might be for Western Europe, a federated continent without Great Britain would probably fall an easy prey to German domination, and thus become a menace to the British Empire. But could Great Britain become a member of such a confederation without bringing in the rest of the Empire and is that possible? Moreover, federalism implies the surrender of sovereign rights to an extent far greater than any European country is at present likely to accept.

Though we may cherish the idea of a United States of Europe as a possibility in the remote future, any attempt to bring it about within a measurable distance of time would be courting failure; but we can strive to produce those conditions which may make a federal system ultimately practicable by fostering solidarity. By creating identity of interests through the pooling of financial and economic resources, by removing economic barriers and promoting co-operative effort in all directions, economic, social, cultural and political, we can by slow degrees move towards the goal. When Europe has become sufficiently united in a common purpose it will be time enough to consider the question of federation, but the crux of the problem will always remain the attitude of the British Empire. Meanwhile, it will be a step in the right direction for the small European states to federate regionally, as for instance in the Balkans, Scandinavia, and the Low Countries, for mutual support against wanton aggression.

We should aim immediately not at political union but at unity of purpose. The solidarity of Europe does not imply a dead level of uniformity suppressing all the characteristics which give each nation its special genius and vitality; it does imply a common outlook in all matters relating to its welfare and the collective interests of the Continent as a whole.

There can be no solidarity of Europe without confidence resting on identity of interest. Without that foundation, no pacts are worth the paper they are written on. The Treaty of Versailles, the Treaty of Locarno, the Nine-Power Pact of Washington, the Kellogg Pact, and the Covenant of the League of Nations itself are all instances of solemn engagements entered into only to be broken the moment the interests of one of the parties clashed with its contractual obligations.

It may therefore be taken as axiomatic that in the present state of

world society nations will still look after their own interests first. Alliances hold good only so long as they are mutually convenient. Permanent political loyalties cannot be relied upon. We have only to note the following instances. In the Russo-Japanese War we held the ring and hailed with enthusiasm the Japanese victory over Russia. Today we are in alliance with Russia and at war with Japan. Italy and Roumania were our Allies in the First Great War and Turkey our enemy. Italy, Roumania and Bulgaria were at first our enemies in the Second Great War, and Turkey became our friend. In the United States and in China, Anglophobia was rampant not very many years ago and our relations were frequently very strained. Today they are our allies. This shows how precarious are international relationships in the absence of permanent identity of interests.

An essential part of the problem of moral disarmament is to find a unifying influence for Europe as a whole. Despite all the discord of rampant nationalism, the present age is not without its unifying tendencies. There is, for instance, a link between Germany, France, and England. It consists in the complementary character of their differences. British common sense, French exactitude and logic, German thoroughness and organizing power have acted as qualities complementary to one another in the past and have contributed to common progress despite national antagonisms. Here are elements of unity with which Europe can ill afford to dispense. We can only hope that it may be renewed in co-operative and not competitive effort. By killing distance and facilitating international intercourse, modern science provides more and better links for mutual understanding between nations; but, in the absence of a common spiritual basis, not unity but only uniformity is the result.

Between all countries some interests, but not all, are common; some, but not all, are conflicting. The degree of preponderance of one over the other determines the question of peace and war between nations. The first preoccupation of the statesmen of Europe therefore should be to narrow down to the lowest possible limit the divergent interests and to concentrate on common purposes. Identity of interest cannot rest wholly or even principally on a materialistic outlook. International co-operation needs, above all, a spiritual foundation; there must be common ideals, understanding, and goodwill. Without these the sanctity of treaties counts for little.

Of all the troubles besetting the Western World, the most distressing is the fading out of the Christian Faith, since the absence of a moral foundation affects the very root of all human order. It is therefore devoutly to be hoped that it will be restored, for without it we shall not get very far. Although today anti-Christian philosophies hold sway over a large part of Europe, there are many signs that the inner core of spiritual life remains unimpaired. In the words of Lunacharsky, Russian Commissar of Education, "Religion is like a nail; the harder you hit it, the deeper it goes into the wood."¹ There is good reason to hope that Christianity will revive in Germany after the war, as it is already reviving in Russia. The one thing Hitler has not been able to do is to harness the Church to his chariot wheels.

¹ *Russia*, Bernard Pares.

It is clear that we cannot impose a revival of Christianity by authority. Recovery can come only through the spontaneous craving of Europe's countless millions for spiritual uplift. All that statesmen can do is to try to create the conditions most likely to encourage revival and endeavour to support the efforts of those Churches which seek to promote the organization of world peace. It is, however, regrettable that despite the efforts of the international church organizations, the tendency has been for the Churches almost everywhere to identify themselves more and more with nationalism, even sometimes aggressively so.

Chief among the problems of moral disarmament is the education of German youth. No child was ever born into this world a civilized being. It may become one; but, since the primitive instinct of man is to be cruel, it can more easily be turned into a little savage for " 'Tis an easier matter to raise the devil than to lay him."¹ When an aggressively-minded nation begins to think in terms of power politics and total war it seizes upon youth and, at the most impressionable age, indoctrinates it, under the spell of a mystic ideology, with a fanatical worship of war and of ruthlessness as an indispensable foundation of national discipline and military efficiency. Civilization is a very thin veneer. The suppression of religion and of all moral principle and the corruption of youth can very quickly turn a whole people into a nation of devils. If the Germans are to be brought to a consciousness of the duties of world citizenship and to attain a higher standard of political morality there must be a change of heart and the whole system of German education must be remodelled. No longer must German youth be taught to glorify war as the noblest form of human activity, but to cultivate the arts of peace and the brotherhood of man. But this is a task the German people must undertake themselves. It must spring from conviction as the result of bitter experience. No doubt much can be done to assist them by tactful handling, but the initiative must rest with them, for any attempt by the victorious nations to impose re-education upon them will most certainly defeat its own ends. Our best hope of German regeneration lies in the innate docility of the German people, who will follow any leader good or bad provided he is a German. Leadership in re-education there must be. "Only virtuous people are capable of freedom," wrote Benjamin Franklin; "as nations become corrupt and vicious they have need of masters." The problem is to see that Germany gets the right ones, for on their leadership depends the question whether the qualities of the German people—and they are many and great—are to be used in the service of evil or of good. Possibly, in the fulness of time, control of broadcasting under the aegis of a reconstituted League of Nations might be made an effective instrument for helping to win over the Germans to a nobler way of thinking. How to deal with millions of young people steeped in Hitlerian perversity is a task that may well baffle all effort. The present generation is too impregnated with Nazi doctrine to be capable of any real change of heart; we must centre our hopes on the next. Upon such a change, however, depends the future of European security.

Can we hope to start the regeneration of Europe as a moral and spiritual commonwealth, by restoring the mediaeval ideal (never fully

¹ Erasmus.

realized) of Pope and Emperor? The answer must be in the negative. The restoration of the spiritual unity of Europe in the 20th century is more likely to be the product of a common outlook in regard to material welfare and social security. A policy resulting in security against mass unemployment and in freedom from want and fear may in time find a firmer anchorage in spiritual unity. Since we cannot make the revival of Christianity the immediate basis of a secular policy, we must, pending such recovery, look to the solution of world problems to provide the necessary unifying influences.

The tide of colour is rising and will continue to rise. Therefore, in the long run, nothing should be more likely to make a stronger appeal to the nations of Europe than racial solidarity, as a means of maintaining, not necessarily the supremacy, but at least the unity of the white race. Following our own example in the last war, Germany has invited the Orient to destroy the Occident. But although Japan's ally, she was at one time already beginning to dread the yellow man's supremacy as the result of Japan's military successes. The Western nations can have no higher ideal or more common interest than the safeguarding of their civilization, their culture, their standards of living, and their numerical strength—not that the clash of colour is inevitable, far from it—but that Europe may stand united if and when the time of trial comes. Clearly, therefore, however strong the claims of national egoism, the first preoccupation of every European statesman should be to think in terms of European solidarity first.

But what do we find? The great white civilization torn by internal dissensions, hatreds, jealousies, clashing interests, and now once again it is plunged in fratricidal war at a time when white unity was never more imperatively needed. Europe is a house divided against itself. War between white nations is civil war, the worst of all human scourges.

The coloured world already outnumbers the white by two to one and is increasing at a very much faster rate than the white. It is, moreover, beginning to rival the white in many directions and threatens ultimately to overtake it. White internecine strife only serves to bring the day of coloured supremacy nearer. Truly has Mr. Lothrop Stoddard said in his *Rising Tide of Colour*: "The basic factor in human affairs is not politics but race".

It is, of course, futile to imagine that the solidarity of Europe can be brought about by an appeal to racial consciousness or by efforts to reinforce the Christian faith alone. It must be buttressed by something more tangible than mere psychological aspirations. The solution of social and economic problems must precede spiritual rehabilitation.

CHAPTER XII

ENGLISH-SPEAKING UNISON

"Great Empires and little minds go ill together."

EDMUND BURKE.

BRITISH policy is determined by Britain's dual position as part of Europe and as the heart of a vast overseas Empire. This duality adds enormous difficulties to British diplomacy, but it constitutes the most promising

factor for future peace. There can be no firmer guarantee of peace in or outside Europe than the united efforts of the English-speaking World. The British Commonwealth is the natural link between Europe and America and the potential link between Europe and the whole outside world.

Lord Milner wrote to a correspondent on August 14th, 1919:

"I am very doubtful myself about the success of the League of Nations, but I have no doubt whatever that, if it is to be an effective instrument at all, it can only be so by virtue of the influence of the British Empire and America. The influence of the British Empire will be incomparably greater if its several members work together and contribute a sort of sub-League of Nations among themselves. Without that, I think the larger League has no future. If it were to fail, the British League would remain of equal, if not of greater, importance. . . . We must try to extend the *Pax Britannica* into a *Pax Mundi*. But even if the *Pax Mundi* is unattainable, we must at any rate make sure of the *Pax Britannica*."¹

Though still the centre of a vast Empire, Great Britain is no longer in a position to control it. Indeed it has all but ceased to be an Empire and has become a loose partnership of nations held together by the tenuous thread of a common allegiance to the Crown, but politically by the more substantial ties of self-interest, kinship, and common ideals. Burke called these bonds "light as air". Are they still, as he thought them, "strong as iron"? If the wars of 1914 and 1939 have shown that they are and that Great Britain can rely on the support of the Dominions in the hour of need it remains to be seen whether—and this is equally vital—she can count on their active co-operation in the reconstruction of Europe after the Second Great War, for without it Great Britain will not only be prevented from taking an effective lead but there will be grave danger of the resumption of the struggle in the future in even more disadvantageous circumstances than those of 1939. These nascent democracies have developed a very independent, individualistic, and defiant temperament, well suited to young and vigorous nations. But the very virtues which make them so full of promise for their own future do not tend to assist British diplomacy in the wider circle of international relationships; rather do they tighten its fetters.

If the task of the British Empire is to reconcile "planning with freedom", how far are the Dominions prepared to co-operate in such a policy? Does their general attitude towards Europe in general and Great Britain in particular warrant the hope that they will do so in a really effective manner? Do they realize that upon the British Empire, the greatest *Lebensraum* of all, Providence has placed the duty of world leadership? And does the constitutional machinery for such effective co-operation exist or any integrated machinery for Imperial defence?²

Prior to the outbreak of the Boer War in 1899, no consultation whatever took place between the British and Dominion Governments in

¹ "Collective Security and Imperial Unity", Professor H. A. Smith. *National Review*, January 1935.

² This chapter was written before the meeting of the Imperial Conference in London in May 1944, the result of which is very reassuring on this point.

matters of foreign policy. The principle then held good that, if Great Britain was at war, the British Dominions were also at war. The Agadir crisis of 1911 was the first occasion when the Foreign Secretary (Sir Edward Grey) felt compelled to take into consultation the Prime Ministers of the Dominions when they were assembled in London for the meeting of the Imperial Conference. During the First Great War the Dominions stood solid behind the Mother Country. In 1917 and 1918 the Imperial War Cabinet was composed of four British Cabinet Ministers and of seven Dominion Prime Ministers, and at the Peace Conference the Dominion Representatives formed part of the British Empire Delegation. At Washington in 1922 they again sat together as a single body. If the war inevitably brought about closer co-operation between all the members of the British Empire, it also developed a desire for greater political independence. It was only right that the participation of the Dominions in the First Great War should entitle them to a larger voice in the determination of foreign policy.

One of the first steps in this direction was the demand of the Dominions for separate representation in the League of Nations, to be followed in due course by a claim to the right to appoint their own diplomatic representatives to foreign Powers. Canada is now represented by Ambassadors in Washington, Moscow, Chung-King, Mexico, Rio de Janeiro; and by Ministers to Chile and to the Allied Governments—viz., France, Belgium, the Netherlands, Greece, Czechoslovakia, Norway, Poland, and Yugoslavia; before the war she was represented in Tokyo. Australia is represented by Ministers in Washington, Moscow, Chung-King and the Netherlands; and (before the war) in Tokyo. The Union of South Africa maintains Legations in Washington, Lisbon, Stockholm, Cairo, and a Minister to the Allied Governments of France, Belgium, the Netherlands and Greece; before the war the Union was represented in Berlin and Rome and the Hague. A number of Consular posts (eleven in all) also appear in the South African official list. New Zealand has a diplomatic representative at Washington. Eire has diplomatic representatives in Washington, Madrid, Lisbon, Geneva (for Switzerland and the League of Nations), and, during the Second Great War, in Rome (Quirinal and Vatican), Berlin, and Vichy (for France and Belgium); also Consular officers in New York, Boston, Chicago and San Francisco.

In 1923 the Imperial Conference recognized the right of the Dominions to conclude treaties affecting their own interests. Matters concerning the Empire as a whole were, however, reserved for inter-Imperial consultation. The constitutional relationships between the United Kingdom and the Dominions were settled by the Imperial Conference of 1926 in accordance with the recommendations of a Committee on inter-Imperial relations. The famous formula drafted by the late Lord Balfour and approved by the Ministers of the Dominions and the Representative of India defined their status as follows:

"They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any respect of their domestic or external affairs though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations."

Finally the Statute of Westminster in 1931 removed the last vestige of subordination to the Mother Country. It was an epoch-making event in imperial evolution.

Today the British Empire is like no other form of government; nor has there been anything comparable to it in all history. It is neither a unitary state nor a federation. It has no written constitution or Imperial Parliament, no central executive power or defence force. It is a unity which rests on free association not centralised authority, held together solely by a common allegiance to the British Crown. Even in such vital matters as foreign policy and defence, it is only possible for the Empire to act as a single unit provided the Mother Country can carry with her the voluntary co-operation of all her daughter nations. Thus no foreign policy which is not the result of collective discussion can nowadays count on the approval of the Dominions. No sensible person will cavil at the propriety and inevitability of these constitutional developments. If Great Britain had regarded the Empire merely as a field for selfish exploitation, it would have gone the way the Spanish Empire went. Nevertheless, the new constitutional principles present certain anomalies which are certainly not best calculated to assist the formulation of an imperial as distinct from a merely British foreign policy.

During the First Great War, the necessity for close contact had been met by means of the Imperial War Council and the British Empire Delegation to the Peace Conference, but after the war all this machinery was swept away. For a considerable time afterwards there was no machinery for the continuous interchange of views on the big problems of foreign affairs, except the distribution by the Foreign Office of memoranda and despatches to the Dominion Governments through the Dominions Office. The inadequacy of this system was disclosed by the late Mr. Ramsay MacDonald, who as Foreign Secretary in 1924 complained that "the present system which depends almost entirely on cables and despatches renders immediate action extremely difficult, more especially between Conferences and on occasions when such action is imperatively needed".

The duties and qualifications of Governors-General have, since the coming-of-age of the Dominions, undergone a complete change. The Governors in the old days were selected for their political capacity and exercised a very considerable influence over their Governments. Today the Governors merely represent and perform the same functions as the King. They have become constitutional figureheads. Their power of intervention or influence is much diminished.

After the First Great War the Dominions, having acquired the right to determine their own attitude in the event of another war, and therefore feeling themselves secure, once more began to disinterest themselves in foreign affairs, and turned their attention to domestic development. This was reflected in the functions of the Dominion High Commissioners in London, whose duties were almost exclusively devoted to the furtherance of Dominion domestic interests. Foreign affairs played a relatively small part in their activities.

The creation of United Kingdom High Commissioners to reside at Ottawa, Cape Town, Canberra, and Wellington established a new channel of communication; but these are Dominions Office officials more closely .

concerned with the relations between this country and the Dominions than with foreign affairs, in which respect their usefulness must inevitably be impaired because they are not in direct touch with the Foreign Office. The really important link between the Mother Country and the Dominions is the right of the Dominion Prime Ministers to approach the British Prime Minister directly and personally.

Though the interest of the Dominion Governments in foreign affairs and their understanding of them has been quickened by the increasing frequency of international crises during the between war period, the existing machinery remains wholly inadequate for dealing with problems of the present magnitude or with critical situations such as are apt to arise with staggering suddenness. To obtain agreement between half a dozen governments is difficult enough even when the issues are simple and time is of no account. When rapid decision and instantaneous action are needed the machinery is apt to break down completely. Despite all the improvements which have been introduced to make the system work more efficiently, the problem of intimate and daily inter-Imperial contact in the conduct of foreign affairs leaves much to be desired.

Consequently, on those occasions, when there has been no time for consultation, the British Government has had no option but to act first and obtain the approval of the Dominions afterwards. For a while it seemed as if the Dominions were content to leave the conduct of foreign affairs in the more experienced hands of the Mother Country, so long as they were left free to approve or disapprove afterwards as they might see fit, because it relieved them of all international responsibility and enabled them to devote all their energies to the development of their domestic interests. Nevertheless when the Lausanne Treaty in 1923 was concluded with Turkey and the Dominions were presented with the *fait accompli*, they were faced with the choice of adhering to Britain's ratification or of creating a serious rift in imperial foreign policy. This produced violent protests. The same thing occurred over the Treaty of Locarno, which was also concluded without Dominion participation. As the post-war period wore on and international crises multiplied, the difficulty of carrying on the affairs of a great Empire on the basis of limited liability became more and more apparent.

The essence of the difficulty concerned the different attitudes towards Europe. The security of Britain's sea communications with all parts of the Empire and the rest of the world and the protection of her overseas interests form an important part of her foreign policy, but even more important for Britain are her relations with Europe. Despite all efforts in the past to keep aloof from European entanglements, her history has been one long series of continental wars, from which she has never been able to escape. Peace in Europe must always be her first concern.

The position of the Dominions is in many respects a very different one. They have, apart from their constitutional developments, undergone great changes, politically and economically, in the last half century. The fact that they have now been drawn into the vortex of world affairs has created new and special problems for them. With fewer responsibilities, less experience, less political insight than the Mother Country, they have not unnaturally until recently concentrated their attention

more on the development of imperial than of international relations. For geographical and other reasons they had little or no direct experience of foreign affairs until the First Great War. Each Dominion has its own problems, which differ as much from those of other parts of the Empire as they do from those of the Mother Country. In respect of foreign affairs, the Dominions are therefore still neophytes; the devious ways of diplomacy and the issues involved are to them still largely unfamiliar. But they insist that foreign policy to have their support must have their approval. They are, or at least till lately were, inclined to look askance at the British Foreign Office and would no longer accept it as the sole and final authority in imperial foreign policy for fear of being landed in commitments without their consent. They regarded it as rather hidebound and antiquated, too exclusively concerned with the problems of Europe and too little with those of the Empire. Such has been the fear of the Dominions of the subtle persuasiveness of British statesmen, with their superior knowledge and diplomatic skill, that they have always set their face against anything in the nature of an Imperial Parliament or even a permanent office for the Imperial Conferences.

Indeed, since their coming-of-age, so independent have the Dominions become that they even claim the right to be neutral when Great Britain is at war. In the Second Great War Eire remained neutral, thereby causing inconvenience to the Empire's naval and military operations. But would it be possible for all the Dominions to follow such an example without disrupting the Empire?

On one occasion at least, the sovereign in his multiple capacity has already been identified with conflicting policies. While Great Britain was still declining to recognize Italy's annexation of Abyssinia, His Majesty had to approve the appointment of the Irish Minister to the Quirinal accrediting him to the King of Italy as "Emperor of Ethiopia". The neutrality of Eire may be a benevolent one, but the position of the German and Japanese Ministers in Dublin can hardly have been anything else but that of spies upon Great Britain. The King, as Sovereign of Eire, remained technically at least in diplomatic relations with Germany and Japan through the Irish Chargés d'Affaires in Berlin and Tokio while, as King of England and of the rest of the Empire, he was at war with those countries. This was possible only because it suited Germany and Japan to accept the position.

However unexceptionable in theory the Balfour formula may be, the full independence of the Dominions in matters of foreign policy must in practice be strictly conditioned if the risk of imperial disruption is to be avoided. Unity in imperial foreign policy does not of course mean that the Dominions should be deprived of their right to conduct their own foreign relations in so far as they concern their own interests, but it does mean that those interests must be subordinated to the overriding considerations of imperial foreign policy. It also implies—and this is not generally realized—the abstention from any acts, whether under their municipal law or otherwise, which might provoke the retaliation of a foreign Power on the rest of the Empire. This alone places a limitation on the exercise by the Dominions of full sovereign rights. Failure to observe this limitation might produce inter-imperial as well as international friction. Therefore, if the principle of unity in diversity is to survive, the

autonomy of the Dominions, as far as foreign affairs are concerned, can never, in practice at least, be absolute. So much for the constitutional developments.

Whatever foreign policy the several parts of the Empire may favour they have one aim in common, and that is the maintenance and stability of world peace. But up to the Second Great War the Dominions were loath to do the one thing best calculated to ensure it, namely to proclaim definitely that in foreign policy and defence the Empire would always stand together come what might. Their reluctance was due as much to their horror of commitments as to the jealousy with which they guarded their newly won independence. As in the Mother Country so in the Dominions, the neglect to educate public opinion paralyses Government action, not only at moments of supreme crisis but where timely preventive measures are necessary. It is of course difficult in time of peace for the sheep shearer in Australia, the lumberman in Canada, the miner in South Africa, to realize that the occupation of the Channel ports, for instance, by a hostile Power in any way affects him. Indeed he only comes to realize that these issues touch him very closely when disaster is imminent and his Government is forced to take action. Worse than the mere omission to affirm imperial solidarity were the utterances of some Dominion statesmen declaring that never again would their Dominions join in a European war, thereby actually encouraging the belief among our prospective enemies that the Empire was ripe for dissolution. Indeed the Statute of Westminster was very generally interpreted in enemy circles as an abdication on the part of Great Britain of her imperial rule.

While the League of Nations was still a force in international affairs, it did afford the Mother Country a guarantee against the uncertainty of the attitude of the Dominions in the event of war. The Dominions had, in the interest of collective security, been willing to pledge themselves to the League and to accept commitments which they denied to the United Kingdom and to one another for fear of compromising their newly won sovereignty. So long as this situation lasted the question of the participation of the Dominions in future wars could be regarded with equanimity, since it was unthinkable that Great Britain would ever provoke war. There was therefore no danger of a situation arising in which the Dominions would refuse to co-operate with the Mother Country in a League war. While Great Britain remained bound, League or no League, to come to the assistance of any part of the Empire if attacked, she could only count upon the Dominions to come to her assistance in obedience to their obligations as members of the League of Nations.

But with the collapse of the League, and of the system of collective security, it became clear that future wars were not likely to be punitive wars under League auspices as contemplated by the Covenant, but wars in which every nation would once again judge for itself whether it should participate or not. Thus it was on the loyalty of the Dominions and not on their membership of the League that Great Britain would in future have to rely in the hour of need.

Although the public utterances of statesmen and the expression of public opinion in the Dominions had led many people to believe that never again would the Dominions take part in another European war, there was

in reality never much doubt that, at the supreme moment, a healthy sense of reality would prevail over academic principle. So indeed it proved to be when the call came in September 1939. One and all, with the exception of Eire, responded, though, it is true, with varying degrees of warmth. Australia and New Zealand at once proclaimed their whole-hearted support. Canada, though of all the Dominions she has probably the least to fear from secession and had not so long before pledged herself to a policy of isolation, instantly rallied to the side of Britain. South Africa, though she has most to fear from a British defeat, appeared somewhat uncertain. Thanks largely to the personal triumph of that great soldier-statesman Field-Marshal Smuts and the defeat of General Hertzog's Government South Africa came into the war.

This shows conclusively that, whatever importance the Dominions may attach to their theoretical right to remain neutral, Great Britain cannot be engaged in a major war which does not affect them vitally and that they cannot risk a British defeat. Since none of the Dominions can stand alone against a great Power once Great Britain is defeated, one may ask what is to be gained by insistence on rights of independence, which the Dominions can exercise only at extreme peril to themselves, and which is positively dangerous from the point of view of encouraging would-be aggressors?

If, despite certain disquieting symptoms, we never really needed to worry much as to the part the Dominions would play in time of war, there was, until recently, far more ground for concern as to what their attitude might be towards co-operation in the post-war reconstruction of Europe in time of peace. Would they, after the experience of the Second Great War, have come to learn that aloofness is inconsistent with the status of full nationhood, which implies the assumption, and not the shirking, of responsibilities and obligations in the general quest for a solution of world problems? And what would be their plan for a united defence policy that might involve derogation of individual sovereign rights?

Economically the fact must be faced that the Commonwealth has developed into a congeries of competing units. As the Dominions developed industrially they became less and less open markets for British goods. Their tariffs, despite preferences, are almost as severe for Great Britain as they are for foreign countries. Nor can it be said that the Dominions any longer provide free outlets for surplus populations.

This brings us to the Ottawa policy. Ottawa did not lay the foundations of Imperial Preference; it merely completed the edifice. In the eighties and nineties of the last century a wave of protectionism swept over the Dominions which ended in highly protectionist policies under which Britain enjoyed certain advantages but was, owing to her free trade policy, unable to return the compliment. The growth of economic nationalism everywhere in the end impelled Britain to adopt protection in 1932 in self defence. It was the Import Duties Act of that year which now made a policy of reciprocal Imperial Preference practicable.

Throughout the post-war period we had preached to the world that economic nationalism was the greatest danger to world peace. Whatever the Ottawa policy may have done to bind the Empire more closely

together, it also set the stamp of our approval on economic nationalism, which we had so consistently denounced as economically unsound and politically dangerous. In attempting to defend ourselves against the disease we injected its poison into our own system, and, in so doing, we were the first to put into practice the idea of a *Lebensraum*. It was the growth of economic nationalism everywhere, including the Dominions, that brought about the final abandonment by Great Britain of her former economic orthodoxy; but is there not something incongruous in preaching collective security as the best means of preserving peace, while at the same time promoting economic nationalism, than which nothing is better calculated to create an atmosphere favourable to war? Is not this inconsistency further evidence of lack of co-ordination between foreign and domestic policy?

The Prime Ministers of Great Britain and of Canada stated at Ottawa that there was no intention of excluding foreign trade by prohibitive tariffs. All that was intended was the creation of a larger area of freer trade as a step to greater world trade. The main objective was described by Mr (now Earl) Baldwin as "the expansion of Empire trade, to be brought about as far as possible by lowering the trade barriers between the several members of the Empire". But the imposition by Great Britain of duties over a wide range of raw materials and foodstuffs for the purpose of granting preferences to the Empire seems scarcely in harmony with the pious intentions of freer world trade.

The vital significance, both economic and political, of Imperial Preference lies, not in the domestic but in the foreign sphere. The British Empire was never popular with foreign countries, but it has been tolerated because of the liberality of its institutions, which in any other hands but British would have ceased to exist. While the Dominions have benefited more than the United Kingdom from the Ottawa policy, the United Kingdom has chiefly to bear the brunt of any political repercussions.

As was to be expected, the Ottawa policy soon gave rise to difficulties in negotiating trade agreements with foreign Powers. This brought about a certain reaction and a tendency to modify the Ottawa Agreements so as to facilitate the conclusion of those with foreign countries. In 1938 Britain had to make concessions to the United States of America, and her agreement with Canada could only be modified to meet American demands after an American-Canadian treaty had been concluded, which compensated Canada for the losses involved in the British concession to America. Canada had to learn that the benefits to be derived from tariffs have their limitations. India, the largest of the Imperial economic units, had already backed out of the Ottawa Agreements.

Germany, with her vastly increased productive capacity, has been one of the greatest sufferers from the spread of economic nationalism which is largely held responsible for the great economic depression. There can be no better proof of the disastrous effect which the latter had on international trade than the statistics published by the Geneva Bureau of the League of Nations. Between the years 1929 and 1934, imports fell from 813 milliards of francs (gold Swiss) to 273 and exports from 735 to 252. The new British policy can hardly have failed to aggravate the situation. Germany's share in British imports fell

from 7.5 per cent in 1931 to 4.4 per cent in 1932, for which our fiscal policy was at least partly responsible. Moderate though that policy may be, it is its tendency and its significance which are so profoundly disturbing to the "Have Not" nations. It has been alleged that hundreds of thousands of workers were thrown out of work in Central Europe as the result of the Ottawa policy, only to swell the ranks of the followers of the political hotheads who clamoured for re-armaments as a means of restoring plenty to poverty-stricken peoples. It would seem that Imperial Preference and Protection have thus helped to fertilize the soil from which dictators spring.

Unquestionably, Imperial Preference and the adoption by Great Britain of Protection have not been without their effect in stimulating the *Lebensraum* idea. The immigration laws of the Dominions and the United States are a source of much irritation to some countries. Japan especially resented them. The pressure of a growing population, the poverty of her national resources, the loss of trade through China's boycotts, and the dislocation of her markets as the result of the great economic depression have all intensified Japan's will to expansion. The Ottawa policy coming on top of all certainly helped to accelerate Japan's bid for the economic and political hegemony of the Far East and of the Pacific. Italy, too, though her economic needs were nothing like those of Germany or even Japan, put forth her tentacles in search of a larger *Lebensraum*. Lack of raw materials—so Prince Umberto said—which prevents Italy from living in security, was one of the reasons why she went to war.¹

Ottawa furthermore encouraged France to intensify her economic nationalism in her Colonial Empire and thus consolidate her *Lebensraum*. In all these cases the underlying cause is the same, namely, the craving, owing to the feeling of insecurity under modern conditions, for a broadening out of the national economic basis in order to secure the highest possible degree of self-sufficiency.

It is often maintained that Protection is useful as a bargaining weapon for breaking down the economic nationalism of other countries and thus serves to promote freer trade. But experience has shown that tariff wars have generally ended in higher tariffs. Is it not far more probable that the real bargaining power lies in the threat to introduce Protection and that once in being that power is largely lost?

Though Ottawa may have bound the Empire closer together economically and politically, it certainly did not further the ends of peace. The one merit of the Ottawa policy is that it brought disillusionment in its train. Without that experiment the Dominions might never have come to see, as they now do, that their true interests lie less in imperial than in world co-operation. They have come to realize that their prosperity, like that of the rest of the world, depends upon world markets and not on imperial self-sufficiency. The belated recognition of this fact may have brought it home to the Dominions that salvation is not to be found in isolationism and smug indifference to Europe's fate, but only in close co-operation in the reconstruction of that Continent. Their adhesion to the Atlantic Charter is at least a promising sign of a growth of enlightened self-interest.

¹ *Daily Telegraph*, May 25th, 1943.

Though Great Britain and the Dominions may now have realized the economic effects of Imperial Preference on their own interests, it may be doubted whether they are yet fully alive to the political repercussions of their immigration policies. The Empire consists largely of vast empty spaces capable of supporting far greater populations than they actually do, and these are being as far as possible reserved for the British people. The necessity for an influx of population into the Dominions is admitted on all hands. Whether it be for agriculture or industry, the Dominions require skilled labour, and that is what the Mother Country can ill afford to supply. Unless the situation can be met by a natural increase of population, of which there are no signs at present, the time must inevitably come when the Dominions will have to open their doors wider to foreign immigrants. While this may do something to ease the international situation as regards the pressure of surplus population, unless this immigration can be easily assimilated, it may become a fresh source of political anxiety. Since it will be impossible to fill these vast empty territories from British stock, can we wonder that their reservation is regarded by the "Have not" Powers as a dog-in-the-manger policy? Can we hope indefinitely to guarantee the Empire against challenge if nations which are overcrowded are denied the right of settlement within its gates?

Few will dissent from the view that measures fraught with such incalculable consequences in the domain of foreign affairs as that of Protection, Imperial Preference, and Immigration Restrictions should not be utterly divorced from foreign policy. Never again, asserted Mr. Neville Chamberlain, would Britain revert to Free Trade, even if the rest of the world were to do so. Had he forgotten Cobden's prophetic warning?¹

It has been said that the road to Addis Ababa—and ought we not now to add, to Singapore?—began at Ottawa.² Yet the Foreign Secretary was not even present at the Ottawa Conference to voice the tremendous implications which the Ottawa policy was likely to have on foreign relations. If world peace is our supreme objective, then the Empire must begin to think internationally before it thinks imperially. Unless it does so, then economics and not statesmanship will control the course of political events and determine its fate.

On a statesmanlike view it must be clear that a policy of isolation and of drift in the rapidly contracting world of today is the most certain way of becoming involved in war. Thus the pull of the Dominions away from Europe could not but weaken British foreign policy and impair the cause of peace.

If world peace is the chief aim of every part of the Empire, it is not enough for the Dominions to show their determination to defend imperial solidarity in the hour of need alone; it is every bit as important that it should never be open to question at any time. The fact cannot be too strongly emphasized that, since Great Britain cannot be torn away from Europe, the fate of the Dominions is indissolubly bound up with the future of that Continent.

The close alliance of the British Empire has been of immeasurable

¹ Quoted in the chapter "The Causes of War", page 37.
² *Economic Causes of the Second World War*, Deryck Abel.

value to Great Britain in two wars. We must accept the fact that the resources of the United Kingdom are not sufficient to prevent war without the support of a confederation of like-minded states with a defence policy so closely integrated, that an aggressor would know that in attacking one member he would be attacking the whole confederation at once. This implies some degree of surrender of sovereign rights by individual members of such a confederation. It is the only long-term policy which can safeguard this country from the danger of falling under the shadow of an integrated Europe dominated by a hostile power.

But the unity of the Empire should stand for something more than imperial interests, something more than a peace resting on predominance of military and economic power. It should consider itself a trust for the benefit of humanity as a whole. On the British Empire, the richest and most powerful group of nations in the world, occupying one-quarter of the globe, and ruling over one-fifth of the human race, rests a higher and nobler duty than the adoption of a merely negative attitude. It is not by acting on the defensive but by adopting and actively pursuing a farsighted, enlightened, and constructive imperial foreign policy that the Empire can fulfil its mission. The Empire must aim at loftier ideals than imperial interests. Magnanimity can be its only wisdom. The Dominions must therefore take a wider view of their responsibilities as partners of equal status and must speak with the united voices of seven nations. That of course presupposes, assuming that the Dominions concur in an imperial policy aiming at the economic integration of Europe, a unity of outlook on their part as regards the ways and means for giving effect to it. If Britain's policy is to develop on international lines while within the Empire nationalism is to become more intense such disunity can only engender disruptive tendencies destructive of British leadership and become a hindrance to peace. We must plan imperially first before we can succeed internationally.

It must now be clear that the wholehearted co-operation of an association of self-governing democracies of equal status, each with its own parliament and public opinion, cannot be adequately secured by Imperial Conferences at which the Dominions are represented by Ministers who have no authority to pledge their governments, and still less Parliaments ; and yet it is in the supreme interest of world peace that the British Commonwealth of Nations should act as a unit in the major issues of foreign policy. To ensure this, the first essential is the disappearance of the quite unjustifiable fear on the part of the Dominions of being ensnared by the Mother Country into commitments from which they would otherwise escape. It is to be hoped that the lessons of the Second Great War will have taught the Dominions that there is nothing but danger in aloofness and that fear of commitments should not be allowed to stand in the way of setting up the necessary machinery for insuring closer co-operation and co-ordination in imperial as well as foreign policy, a co-operation that will be constructive and not merely negative. The truth is that we have not yet accustomed ourselves completely to the profound change which has come over the relations between the Mother Country and the Dominions in the last thirty years and especially since the First Great War.

If there is to be such a thing as a common front and an imperial policy, there must be more effective machinery for regular consultations between

the Dominion Governments and this country than exists today. For fear of interference in their internal affairs and of hampering their liberty in matters of foreign policy, the Dominions have always rejected the creation of any body suggestive of Federation or capable of dealing with them collectively. Even the suggestion made in 1907 that there should be a secretariat in London met with no response. Viscount Bennett, formerly Prime Minister of Canada, in a speech in the House of Lords on January 28th, 1942, called attention to the inadequacy of the present arrangements for consulting the Dominions on questions of foreign policy. After reviewing the history of inter-imperial relations he went on to say:

"The chief problem that remains, the most important problem, the most difficult problem—how we may be able to maintain that continuity that will enable the voice and will of the overseas Dominions to express themselves, as they should, with respect to foreign policy before it becomes effective.

"We have four methods: Imperial Conferences; the dispatch method, as ancient as the history of our country itself; cables and telephones; occasional consultations."

Lord Bennett wound up by sponsoring the idea of an Imperial Cabinet.

Not only do we need better machinery for regular consultations on the major issues of foreign policy, but also a much closer contact by which alone the Dominions can become familiarized with all aspects of foreign policy as they reveal themselves in the day-to-day process of evolution. How this can be affected will be discussed in a later chapter.

The unison of the foreign policies of the British Empire and the United States is at least as important as that of imperial policy; indeed these are but different aspects of the same problem.

Of all the changes which have affected the relative position of Great Britain, probably the most significant is the present state of Anglo-American relations. Ever since America's independence in 1776 and the war of 1812, successive generations of Americans were brought up in the memory of that long and bitter struggle for freedom and in an atmosphere of traditional dislike of Great Britain and her imperial rule. Both, however, clung to the principle of democracy. As America grew to the status of a great world Power, the feeling against Britain turned from dislike to one of jealousy and suspicion, not unmixed with admiration, the inevitable concomitants of rival pretensions. If anti-British feeling tended to disappear in the descendants of the old colonial stock, the memory of the original feud was still sedulously kept alive in all American history books long after it had almost been forgotten in Britain. This poison was readily imbibed by the newcomers from all parts of Europe who came to settle in the New World and now constitute the bulk of America's population.

America's independence sprang from a successful revolt against British imperialism. This fact has never ceased to tincture her attitude towards the greatest imperial Power in the world. The United States have always discountenanced imperialism and championed self-determination. Throughout the 19th century, isolationism and freedom from entanglements abroad were the basic principles of American foreign policy which

was coloured by a traditional friendship for France—a relic of French sympathy in her fight for freedom—and by a latent suspicion of Britain and all things British. "You are afraid," said the British Delegate Oswald to the American Delegate Adams at the peace negotiations following the American Declaration of Independence, "of being made the tool of the Powers of Europe." "Indeed I am," was the reply. The fear of foreign entanglements has dominated American policy ever since. This aloofness from the outside world accounts for much of America's lack of understanding and inexperience in the handling of international problems in the past. Diplomacy remained a sealed book to America throughout the greater part of the 19th century.

Not until the Spanish-American War of 1898 did the United States begin to enter the vortex of world affairs. The two Great Wars have, for the time being at least, put an end to isolationism and forced upon the United States as the greatest world Power, the recognition of her responsibilities towards humanity in general; from this she can no longer escape. The settlement of the Home Rule question in Ireland, the acceptance by Great Britain of naval parity, and comradeship in arms in two great wars to make democracy safe have gradually transformed the bitter memories of the past into a state of friendship and understanding between the two Anglo-Saxon Powers such as has never before existed since the parting of the ways in 1776.

But cordial co-operation in wars against a common enemy are not necessarily synonymous—despite the Atlantic Charter—with the pursuit of common aims after victory has been won. Nevertheless, the future peace of the world depends preponderantly upon Anglo-American relations, and these, in turn, depend upon a satisfactory settlement of two major problems: (1) The future of colonial possessions, and (2) the reconstruction of Europe. As regards the first, despite all outward appearances to the contrary, such as the promise to restore the French Empire, the Dutch Colonies, etc., America has not shaken off her hatred of imperialism, while Great Britain, though fully in accord with the principle of self-government when and where possible, is neither able nor willing at the bidding of the United States to divest herself of her responsibilities towards an Empire at many different stages of development. American public opinion, though proud that the United States should fight side by side with Great Britain for freedom and justice, may yet reject the prospect of a similar association to uphold an imperialism of which it heartily disapproves.

Now that the brotherhood in arms in the pursuit of common aims has brought the English-speaking nations closer together than they ever have been since the Declaration of American Independence, it is of paramount importance that the same spirit of co-operation should continue after the war. American isolationism for the time being at least has receded into the background and we must hope that it will never revive. In America foreign policy is probably even more directly controlled by popular opinion than it is in this country. But public opinion in America is dominated by a simple and rather crude idealism with a profoundly moral basis. In general it is ready to support all that will further the interests of humanity and civilization, but it is uninstructed and lacks the sense of realism which alone can give effect to lofty conceptions that are only

vaguely apprehended. It will not be so much over ultimate aims that difficulties may arise between Britain and America, but over the ways and means of achieving them. It is the difference between knowing what is desirable and what is practicable.

The stature of the United States as a world Power has grown, while that of Great Britain has shrunk. Great Britain can no longer, as in the past, stand alone against all comers. It is true that Great Britain and Europe can ill dispense with American co-operation; but it must not be bought at the price of British subservience. It must be the task of British diplomacy to see that Anglo-American co-operation is at least based on the principle of equal partnership. Despite all, it is inevitable that British foreign policy will in the future no longer be quite so independent as heretofore but will be influenced by the wishes of America. In any case, the position of both countries will be strengthened if they work together in peace in the same harmony as they have done in war. This, diplomacy alone can achieve. Anglo-American unison might well be dominant in the next period of world history and in such unison lies the only certain guarantee of world peace.

CHAPTER XIII

THE EDUCATION OF PUBLIC OPINION

"There is nothing more terrible than ignorance in action."

BOSUET.

"Common sense only becomes truly powerful when in possession of the materials upon which judgment is to be exercised—good sense without special knowledge and application will not govern states."

PRINCE ALBERT's *Golden Precepts*, 1862.

IT is one thing to see, as we have been attempting to do in the preceding chapters, the necessary orientation of British foreign policy; it is another to secure public agreement on its general lines and application to particular instances. Public opinion has had a disconcerting way of breaking in on foreign affairs ever since the days of "Jenkins' ear". In the 19th century it made itself heard over Constantinople, Bulgarian atrocities, General Gordon, and on other occasions.

Still throughout the Victorian era public opinion upon the whole played little part in the conduct of foreign affairs. Since Great Britain was supreme at sea, in industry, finance, and trade the public was lulled into a sense of false security which took for granted that Great Britain's supremacy would endure for ever. Thus public opinion became concentrated on domestic rather than on foreign questions, which could be safely left in the hands of a few statesmen who possessed the requisite knowledge and experience. It is true they did not escape criticism, but today in democratic Britain foreign policy must rest more firmly on public support, both at home and throughout the Empire; it should rest on a well-informed, enlightened, and united public opinion. Of all the fetters that bind diplomacy, none is heavier than public ignorance when brought into action. If political and economic developments, especially those of the between-war period, have made public opinion all-powerful, they have not endowed it with the requisite knowledge and wisdom to cope with

their infinite complexity. While in totalitarian states public opinion can be galvanized into unity of purpose, in the Democracies it has to be coaxed; and only too often it stultifies political action through divided counsels. The public is apt to be lethargic and apathetic until a crisis arises. When this happens, the nation may find itself united but unprepared, or disunited by contradictory convictions. These, as the Abyssinian affair showed, can be fatal to a successful foreign policy. Nothing is more important, therefore, than a sustained effort in educating public opinion.

Sir Robert Peel once described public opinion as "that great compound of folly, weakness, prejudice, wrong thinking, right feeling, obstinacy, and newspaper paragraphs". Since his day the public has come to be much more dependent on the Press for enlightenment. The truth is that the right kind of knowledge can only be acquired by extensive reading for which the masses have neither time nor leisure. The ruling classes of bygone days were on the whole great readers. The newspapers enable the public, lacking leisure for thought and copious reading, to imbibe a certain mount of perfunctory knowledge over a very wide field. But the more abstruse subjects become, the less likely are they to be read, let alone understood. The public like to have their minds made up for them. This the newspapers do by reflecting the views of their readers; it is the best selling policy. And since moderation is less likely than extreme views to further the sale of newspapers, the Press is apt to become increasingly pugnacious and a dangerous guide. Nothing is more likely to appeal to the readers of newspapers than the purely patriotic view—my country, right or wrong.

Worst of all is the nefarious influence which an irresponsible Press can exercise over statesmen and diplomats when conducting delicate negotiations. It sometimes forces them to take up attitudes from which they cannot retreat, thereby destroying all prospect of agreement. In times of crisis the public, whose interest is only quickened at intervals, is often wholly ignorant of the intermediate stages of development. In circumstances like these, how can public opinion be expected to pronounce on the spur of the moment on delicate issues of high policy when it lacks the knowledge to enable it to judge and to judge wisely? When these periodical blizzards occur, statesmen and even governments are apt to be swept off their feet by popular clamour. What suffers is the public interest, for when the resultant of all these conflicting influences is brought to bear on international situations, often of extreme delicacy, the consequences are incalculable.

But it would be unfair to cast all blame on the Press. Sir Frederick Whyte quotes "a common man" as having declared that "if he had the right education, he could look after Parliament and the Civil Service by himself. That," Sir Frederick adds, "strikes me as particularly true of the Press. You will have a free Press if you have a free public, an educated Press if you have an educated public, and a Press with a sense of equality if you have an equal society. And what is most important of all, I think, you have a responsible Press if you have a responsible public."¹

¹ *The Listener*, July 30th, 1942.

There are two ways of utilizing the Press for political purposes. One is by giving out information and allowing the journalists to use it or not as and how they please; the other by subsidizing the Press to further policy. In totalitarian states the Press, like every other institution, has to conform strictly to the policy of the Government. But if the controlled Press under dictatorship can be thoroughly mischievous, the freedom of the Press in democratic countries can be almost equally so. The abuse of freedom can be as harmful as the abuse of power.

Freedom of speech, thought and opinion are among the most cherished liberties of democracy. In theory freedom still exists in Great Britain, and any open interference with it would call forth a storm of opposition. In actual fact it has already largely disappeared. Just as the concentration of economic power in ever fewer hands is robbing the masses of their political freedom, so the Press, the radio, and the film are undermining their freedom of thought. We too have our dictators, but their identity is concealed from us.

There are only two ways in which public opinion can manifest itself. They are at elections and through the Press. At elections, which only take place after long intervals, public opinion is generally less concerned with particular issues than with the general conduct of the Government, more especially as it affects the electors' pockets, for today it is economic and social considerations which take first place in the pre-occupation of the public mind. The electors give a sort of omnibus vote expressing approval or discontent on a multitude of subjects which go to make up a political programme and, since elections are generally won by relatively small majorities, electoral victories reflect little more than half the public opinion. In general the masses show interest in big political problems only in so far as they are calculated to promote their standard of living, their physical comfort, increase of wages, shorter working hours, reduction of fares, and other favourable utilitarian considerations. Mr. Winston Churchill has put the question, "How can we imagine the whole mass of the people capable of deciding by votes at elections upon the right course to adopt in these cataclysmic changes?"¹

The moral instinct of the man-in-the-street is rarely at fault; but his political judgment tends to be uncertain through lack of guidance and of material upon which to form it. The British public has a fine sense for detecting when other countries are morally in the wrong, and then it is apt to raise a hue and cry without calculating the cost. The problem is, therefore, not how to suppress public opinion but how to guide and inform it, so that democratic principle may harmonize with political expediency.

In most spheres of human activity, liberty and diversity of thought and free exchange of ideas make for progress, but in foreign affairs national safety depends on unity. Divided counsels make for vacillation and atrophy. They are fatal to a strong, consistent, and enlightened foreign policy. What is needed for the education of public opinion in this particular field is not choice between different schools of thought but an authoritative lead.

Goebbels has told us that the radio has been Hitler's greatest friend

¹ *Thoughts and Adventures.*

and that it is the modern way of ruling a nation.¹ Hitler himself has asserted that with the exception of the very small minority of strong-minded people who can easily be suppressed "all the ordinary men and women who read the newspapers and listen to the wireless can be made to believe and, consequently, to do almost anything their rulers wish".

Thus in the totalitarian state the radio, which enables the spoken word to reach the ears of millions, was at once seized upon as a most powerful instrument of policy. It is not of course suggested that we should use the wireless for nefarious purposes in the way Hitler did, but it is obvious that in right hands and provided there is common ground between all political parties on the questions of foreign policy, there can be no more potent instrument for educating public opinion than the radio.

Both in the totalitarian states and in the Democracies propaganda has become the weapon of psychological warfare and part of the machinery of diplomacy. Since the wireless knows no frontiers, it can be used for mobilizing public opinion at home as well as for attacking the enemy abroad. But there is still an essential difference in the way it operates under the various political systems, especially in time of peace. In the totalitarian states, it is used internally for dragooning and browbeating the public into submission to the will of its rulers, externally for undermining the morale of intended victims before hostilities begin. "Propaganda," said Hitler at Nuremberg in 1936, "helped to bring us to power. Propaganda has helped us to keep power and propaganda will render possible our conquest of the world. . . . The success of any new party must depend on the character and vigour of its propaganda." How successful this can be Hitler's conquest of Europe affords incontestable proof. His continental enemies, including France, were defeated before the war began. In the totalitarian states, propaganda has been raised to a fine art. In the Democracies, on the other hand, the function of the radio is to enable the public to form its own opinion rather than to force ready-made conclusions upon it.

Since propaganda has become such a powerful means of attack, no government can afford to ignore it or leave the control of it entirely in the hands of private enterprise.

"Propaganda," says Mr. Wickham Steed, "must be two-edged. It must cut through obstacles on the home front while it cleaves the mental armour of the enemy on the outer front. Next to the work of physical fighting no work is more urgent than this."

And again:

"It must fit policy as a sabre fits the scabbard."

Thus, in wartime its chief use is to mobilize public opinion at home as well as to distract that of the enemy abroad. In peacetime it should take the form of the education of public opinion on sound lines. In either

¹ Goebbels' speech at the 15th Radiō Exhibition, Berlin, August 5th, 1938.

case, wireless propaganda should conform strictly to policy and to truth, and for that reason must be under the supervision of the Foreign Office.

Great strides have been made since 1919 towards the education of the public in foreign affairs. The experience of the Paris Peace Conference convinced a group of British scholars of the need for a body which would devote itself to research and to the dissemination of information. The result was the foundation of the Royal Institute of International Affairs, at Chatham House, which soon became a foyer for students of international relations. The publications of the Institute became a by-word for impartiality and authoritativeness and, through its affiliated institutes and sister organizations in the Dominions and the United States, its influence spread over the whole English-speaking world. At first, this influence was confined to scholars but, through their teaching and the series of lectures and popular text-books sponsored by the Institute, the eddies spread far beyond the vortex of Chatham House.

Meanwhile, certain Universities had begun to take up the task of educating the public in foreign affairs. University Faculties had been in the habit of looking down on contemporary history as beneath the notice of serious scholars. But now Chairs were founded in international relations and before long there were large bodies of students in Oxford, London, Aberystwyth, and other British Universities whose best time was devoted to contemporary history with special reference to foreign policy. The extra-mural departments took up the work, organizing Extension Lectures and holding Summer Schools, so that the élite of the non-university classes could instruct themselves in those subjects without understanding of which democracy must remain a mockery.

By the middle of the 1930s this educational work was spreading much farther. The Workers' Educational Association, whose classes in the United Kingdom included 80,000 students, found a demand for courses of study in international affairs and satisfied it by sending graduates to act as tutors in hundreds of towns and villages all over the country. At the same time publishers were beginning to take part in the work. Series of inexpensive books and pamphlets on foreign affairs began to be issued; to the general surprise they found a ready public. Newspaper editors had assumed that the public would not read the work of experts writing at length on foreign affairs; the Penguin Company, the Oxford University Press and others proved that they were wrong. At the same time the British Broadcasting Corporation found that few subjects were more popular among listeners than foreign policy and the background of contemporary history.

It is too early to assess the result of all this educational work. All that can be said now is that the public of the 1940s will be of a very different intellectual standard to that whose ignorance and alternating apathy and insistence did so much to discredit the work of democracy in the between-war period.

If by educating public opinion on questions relating to foreign affairs we merely mean the rousing of academic interest, that is already being done admirably by specialists of the British Broadcasting Corporation. But though the cases are generally fairly represented to the public and the pros and cons equally balanced, there is no guarantee against tendentious

lucubrations. These talks are instructive and sometimes admirable in their lucidity, incisiveness, and balance, but they lack the stamp of authority. They remain controversial and thus may result in bewilderment and indecision, as when on the eve of a General Election the listening public is favoured with the talks of leading statesmen of different political parties propounding their respective creeds.

Lord Grey of Fallodon considered that the only way to safeguard the even tenor of foreign policy against the dangers of fitful and capricious popular impulses lay in "an educated and organized public opinion". There has unfortunately been a total disregard of this advice on the part of governments of all parties. Are they to blame? Not entirely. So long as foreign affairs remain the playground of party politics all attempts to educate public opinion in an authoritative manner assume automatically the character of party propaganda which fosters not unity but political controversy. Controversy and conflicting conclusions only mystify the public, weaken foreign policy, and stultify action. Clearly there can be no real remedy, unless and until all political parties are once again in accord as regards the basic lines of foreign policy which will provide a common ground for the education of public opinion.

In the absence of guidance, the public is not governed by reason so much as by sentiment, for it does not possess the critical faculty of distinguishing truth from error where foreign policy is concerned. Bitter experience in the past has been the sole remedy for long-cherished illusions, but learning by experience is a long drawn out, belated, and costly process. The failure of our diplomacy during the between-war period is largely due to the influence of uneducated public opinion. Unless by continuous and uninterrupted political education sound judgment can be built up in the intervals, no sporadic quickening of the public interest at moments of crisis is likely to result in anything but precipitate and ill-considered action or vacillation, uncertainty and inconsistency.

Public opinion must be given a lead. In foreign policy, if statesmen are to lead and not be led by public opinion, they must first begin by ceasing to be terrified of the multitude; secondly, their aims must be not merely negative but constructive, practical and morally sound; and thirdly, they must possess the art of persuasion and an understanding of mass psychology. To convey conviction to the masses is best effected not by reasoning and arguing but by professing to share their pet illusions and then, by a clear-cut presentation of the issues at stake, bringing them gradually to a proper understanding of the true nature of things. In short, to follow the advice of Isaak Walton about fixing a worm on a hook: "in doing so, use him as though you loved him". Indeed, the secret of success in shaping public opinion lies in the knowledge of how to adjust oneself to the degree of receptivity of the masses.

To sway public opinion against its pet prejudices is no easy matter, even for the most gifted statesman. In attempting it, he may risk losing his office and his seat in Parliament. If he eschews it, he allows himself to be pushed into policies of which he disapproves and into situations which he cannot control. Few politicians care to court unpopularity and loss of office for the sake of farsighted wisdom and posthumous honour. A Foreign Secretary must feel the pulse of the nation as a whole and not merely appeal to sections of public opinion if he is to have a nation-wide

backing. He must move only slightly in advance of public opinion, remembering always that when the gulf between the public and himself is too great, he will lose his influence and his lead.

A Foreign Secretary who commands the sympathy and affection of the public will have much less difficulty in obtaining its support than one whose only recommendation is intellectual brilliance. The masses are more instinctive than logical. They are more often guided by men than by policy. The more complex foreign affairs become and the more difficult the task of exposition, the more likely is this to be the case.

In the Dominions as well as in the United Kingdom, public opinion must be given a lead. The Dominions, owing to their comparative remoteness from the political storm centres and their desire to concentrate on home development, naturally seek to keep themselves free from entanglements. Dominion public interest in the welfare of Europe was, therefore, until recently at least, apt to be lukewarm until the imminence of war exposed the fallacy of relying for safety upon aloofness. Unity in foreign policy, if it is to be an imperial one, is as much dependent on the education of public opinion in the Dominions as it is on that in the Mother Country. Both must therefore be moulded on the same constructive lines of thought. It would be a good beginning if the rudiments of modern politico-economic problems as they affect international relationships were taught in all the schools throughout the Empire on uniform lines. A good grounding at a receptive age would enable coming generations to understand the future problems of foreign policy with greater insight than the masses possess today. The education of public opinion, however, concerns not only the British Commonwealth of Nations. It is of world-wide importance.

Apart from economic interests, unquestionably the most formidable obstacles in the way of good-neighbourly relations between nations are those of differences in psychology, outlook, and temperament. Despite the registration of some 4,500 treaties or international engagements with the League of Nations (including more than 250 for the peaceful settlement of disputes), it cannot be said that international co-operation has been brought any nearer or that international morality has been improved. The conquest of distance has not succeeded in bridging the psychological gulf which separates nation from nation. Unfortunately nations see one another only through the coloured spectacles of the Press. Few nations like one another, and what is referred to in popular jargon as "cordial relations" is in most cases merely a matter of political convenience and enlightened momentary self-interest. Differences of language, of religion, of culture, of race and of innate prejudice and antipathy are difficult to harmonize. The foreigner always remains the foreigner. Mental autarchy is as pronounced as economic. In the education of public opinion there is great scope for international effort. To make the world saner, statesmen should begin by making youth international-minded. At all times it has been the will of youth, and not the ruling classes, which has been the mainspring of national movements. "He who controls youth controls the future," Hitler once said. Would he had directed it into saner channels. Were it not for the new ideologies, with their hatreds, violence, paganism, and worship of war, which have captured the imagination of the rising generation, youth in the totalitarian states would be amenable to the higher influences of

civilization. We can see this in the Olympic Games and the World Jamboree of Boy Scouts, where youth displayed a loyalty to common standards of chivalry. But it needs organized effort to turn the youth movement towards international solidarity. No field for exploration calls for deeper thought. Nothing is more likely to bring true statesmanship its proper reward than the international education of youth, but this presupposes not so much a common outlook between governments as understanding among peoples, with a consciousness of the duties of world citizenship. A more widespread knowledge of the main facts of the great international problems, of the essential universality of their character, of their interdependence, and of the psychologies of the different nations as they interact upon one another should go far to create better understanding among the peoples of the world. But, unfortunately, foreign affairs are largely made up of struggles between nations at various stages of development, cultural, political, and economic, with the result that, to those with unsatisfied aspirations, international co-operation presents less attraction than competitive nationalism. Until the political aims of all nations are in closer harmony than they are at present there can be no machinery to organize world opinion.

Here is a wide field for research in which a reconstituted League of Nations might eventually render the greatest service to mankind. But the time is not yet. The failure of the first League is in itself an example of a well-meant effort come to grief because it never had the full force of world opinion behind it.

We have now been taught to recognize the value of propaganda during war and to a lesser extent during peace. But it is peacetime education that is the more important of the two; for prevention is better than cure. Hitherto British peacetime propaganda—if indeed it can be called such—has been confined to the boosting of all things British. The aims of British foreign policy have been conspicuous only by their absence. The truth is that, in order to educate public opinion on the wider basis of international constructive thought, it needs not only the organization to prepare the mental food for the public, but it implies the existence of the necessary machinery for thinking ahead, without which the material for feeding the public mind cannot be forthcoming. Neither yet exists. Further, it presupposes unity on the basic principles of domestic policy upon which in the future foreign policy will come more and more to depend, and without which the education of public opinion cannot be lifted above the plane of controversy.

Reference has so far been made in this chapter mainly to the education of public opinion at home in international affairs. There is, however, the no less important, but in many ways more delicate and difficult question of enlightening foreign public opinion by promoting a wider knowledge of the English language, popularizing British ideals and providing information in regard to British institutions, methods, social services, general culture, and ways of life.

With this purpose in mind the British Council was established in 1934 on the initiative of the Foreign Office and with the support of other Departments of State. In 1940 it was granted a Royal Charter. The Council operates in the capitals and other cities of foreign countries by creating centres of instruction. It provides teachers, exhibitions, films, and

lectures on music, literature, science, and art. Its activities are based on the principle that the more foreign countries know us the more likely they are to understand and appreciate us. The object of the Council is not to say to foreign countries "This is how we do things in Britain and you should do likewise", but rather "This is how we do things and how we live, you may be interested to know about it". It is thus mainly an informative organization. Though it is not specifically the function of the Council to bring about a better understanding in Great Britain of the methods of foreign countries its activities necessarily establish a certain "two-way traffic" of information which is all to the good.

All this work of the Council, if continued and developed on its present lines, should do much to improve our international relations. Although these activities are in no sense political, yet to the extent that they help to shape foreign opinion in our favour they may be regarded as part of foreign policy.

CHAPTER XIV

THE THINKING SHOP

"Thinking is the hardest work there is, which is probably the reason why so few engage in it. Merely having something on your mind is not thinking. Merely wondering is not thinking. Merely worrying is not thinking. Thinking is creative or it is analytical. Intelligence comprehends the outlines of a thing. Thinking breaks it into its elements, analyses it and puts it together again. Thinking is the work of digging to the foundation and has the aid of higher lights. Thinking calls for facts and facts are found by digging."

HENRY FORD: *My Philosophy of Industry*.

ENOUGH has now been said to show how the field of modern diplomacy has, in the last half-century, broadened out from the narrow limits of the purely political issue into a vast area embracing all those complex human activities which go to make up international relations, so that there is scarcely any sphere which, in certain circumstances, cannot come within its purview; and, consequently, how imperative it is to co-ordinate all the elements upon which foreign policy must be based. Since in the years to come the peace of the world will depend more upon the harmonization of international activities than upon any other single factor, the control which regulates and co-ordinates them should become the chief function of the diplomacy of all states.

Grand strategy has a higher purpose than the mere planning of campaigns in time of war. It must aim at the elimination of war by the planning of the peace. But no Foreign Secretary can become a strategist unless he knows the lie of the land over which he is going to operate. It is for the lack of this knowledge that diplomacy has so conspicuously failed in the past. The existing machinery is no longer adequate to meet modern requirements. What, then, is the remedy?

If an educated public opinion is an essential condition of an unfettered diplomacy, so also is the requisite machinery for thinking out foreign policy. It has always been a characteristic of the British people to regard instinct and intuition as a safer guide than laborious thought. Distrusting the expert, despising the theorist, they place their trust in improvisation,

In public affairs to "muddle through" has become almost an article of faith. It has succeeded so often, even on the verge of disaster, that there is much to justify such an attitude of mind. But the complexity of modern problems now makes clear thinking indispensable. We need to apply it above all to our foreign policy; for it is the business of diplomacy to be wise before and not after the event.

Who, one is sometimes asked, is responsible for our foreign policy? Is it the Crown? Is it the Prime Minister? Is it the Foreign Secretary? Is it the permanent officials of the Foreign Office? - Is it the Cabinet? Is it Parliament? Is it public opinion? Is there, in short, a dominating and directing mind, or is foreign policy the product of many conflicting influences and cross purposes—the plaything of party controversy?

The answer is not simple. A constitutional monarch can still play a part in foreign affairs. Queen Victoria and Edward VII exerted a very beneficial influence by their special knowledge, their personal ties, and their relationships with other sovereigns. There is a fellow feeling among sovereigns which has often smoothed the path of diplomacy; but the disappearance of so many crowned heads since the First Great War has lessened the role of the sovereign as regards private intercourse with those of other nations.

Both in theory and in practice the Prime Minister supervises all policy, but the degree varies with different personalities. Gladstone was content with an almost nominal supervision. Lord Salisbury, on the other hand, being greatly impressed with what he called "the dangers of a composite policy" combined the Premiership with the Foreign Secretaryship in his own person. This precedent was followed for a short time by Mr. Ramsay MacDonald, who soon discovered that the load had by then become too heavy for any single man to carry. Mr. Lloyd George frequently took decisions over the head of Lord Curzon, attending conferences and conducting negotiations himself, but Mr. Bonar Law, while retaining the final authority, left foreign affairs in the hands of his Foreign Secretary.

In regard to matters of first-class importance, however, the final word and responsibility rests unquestionably with the Cabinet as a whole. Prime Ministers, even when supported by their Foreign Secretaries, can be over-ruled by the Cabinet.¹ How far a Prime Minister can demand the resignation of a Foreign Secretary if in disagreement with him may be a moot point. Lord John Russell certainly dismissed Lord Palmerston in 1851. But obviously, no Foreign Secretary can defy a Prime Minister supported by the Cabinet.

So much for the question of final authority. How does the thinking part of the machinery work? According to the opinion of those best qualified to judge, it does not work at all well. Let us begin with the Cabinet. The late Lord Milner wrote:

"A huge unwieldy Cabinet in which half a dozen men of Cabinet rank are swamped by twice the number of second-rate men who are mere ballast. At ordinary times this does not matter; but, in a storm,

¹ The joint Anglo-French proposal to eject the Turks from Constantinople in 1920 was rejected by the Cabinet although it had the approval of both Mr. Lloyd George and Lord Curzon.

shifting ballast may sink a ship. The inert, stupid mass wobbles over in a crisis and you have a disaster."¹

With Cabinets, as with all large assemblies, on the other hand, the higher the level of individual intellectual ability, the greater may be the collective folly. It is a well-known phenomenon.

Mr. Amery, who has held several Cabinet posts, is more specific and less offensive than Lord Milner:

"What is at fault is not so much the men as the machine which they have to work. In days when the pressure of departmental work was only a fraction of what it is today, when national and international issues were simpler and less insistent, it was possible for Ministers meeting at fairly frequent intervals round the Cabinet table to find time both to adjust departmental differences and to arrive at such a measure of common policy as the situation demanded. Those days are gone. The 19th-century Cabinet system is incapable of handling the complex and urgent problems of the 20th century. It is my profound conviction, based on a good many years of practical experience, that a Cabinet consisting of a score of overworked Departmental Ministers is quite incapable of thinking out a definite policy or of securing its effective and consistent execution. It is a commonplace of scientific organization, long since recognized in all the fighting services, that where the same body is responsible for the day to day conduct of administration, as well as for the planning of policy for the future, the latter function is bound to be neglected. It is only by the creation of a special policy department, a General Staff, freed from all current administration, that it is possible to secure forethought and effective planning.

"We attempt to direct the affairs of a great nation by weekly meetings between departmental chiefs, all absorbed in the routine of their departments, all concerned to secure Cabinet sanction for this or that departmental proposal, all giving a purely temporary and more or less perfunctory attention to the issues brought up by other departments.

"The one thing that is hardly ever discussed is general policy. Nothing indeed is more calculated to make a Cabinet Minister unpopular with his colleagues than a tiresome insistence on discussing general issues of policy, often controversial, when there are so many urgent matters of detail always waiting to be decided. The result is that there is very little Cabinet policy, as such, on any subject. No one has time to think it out, to discuss it, to co-ordinate its various elements, or to see to its prompt and consistent enforcement. There are only departmental policies. What is needed is a Cabinet of not more than six; no one of whom should have any departmental duties."²

According to Professor Laski:

"The modern Cabinet is overwhelmed by the pressure of its business in much the same way as the Legislative Assembly. To anyone

¹ *Milner Papers*, Vol. II, p. 448.

² *The Observer* of April 18th, 1934.

who has watched it from near at hand it is like nothing so much as a collection of well-intentioned amateurs striving to keep pace with a mass of business, the amount of which is increasingly beyond their control. Everyone knows the famous passage, in which nearly a century ago Peel described the impossible burden which rested on a Prime Minister. That burden has multiplied several times and there is hardly one of his important colleagues who is not in a similar position. Anyone who has watched a Cabinet at work will be struck at the little trifling, often irrelevant things which decide its scheme of priorities and its manner of handling them."

Lord Baldwin bore out Mr. Amery's assertion when in one of his Guildhall speeches he said: "Today none of us in business or politics has one moment in which to think." If this is true of all Government departments, it is especially true of the Foreign Secretary. Lord Harmsworth, who was at one time Parliamentary Under-Secretary of State at the Foreign Office, evidently impressed with this truth, has suggested that the office of the Secretary of State for Foreign Affairs should be put into commission by associating with him two Ministers of high rank. He "thought of them as colleagues who, from the nature of their offices without portfolio, would be free from the incessant exactions of a busy department and would have full leisure to study and survey all the major problems immediate and contingent of foreign affairs."¹

There is thus a consensus of opinion among those best qualified to judge that all is not well with the thinking part of the machinery. These revelations, though they may be somewhat startling to the uninitiated, disclose nothing really new. The inadequacy of a Cabinet as a thinking shop has only become more pronounced because times have changed. When Britain's power was supreme, the Cabinet was not obliged to think far ahead. Indeed, it would have been a mistake to do so.

Our present rulers are not less in stature than their predecessors of a generation or two ago, but the problems with which they have to deal are infinitely more numerous and complex and foreign policy is no longer a matter of spontaneous cerebral combustion. In all government departments the functions of state are becoming more and more specialized. Statecraft is, today, one of the profoundest of sciences as well as one of the subtlest of arts, and it requires not only inspiration but also a vast amount of hard thinking. We are living today in tumultuous and highly critical times, for the problems that lie ahead of us are the concern not of a decade but of a century. As bitter experience has often shown, hasty and unwise decisions which may pass unnoticed by one generation may entail incalculable consequences for those who follow.

Is it still the right policy for Great Britain merely to wait upon events and rely on daily expedients to meet daily emergencies? For this is what, in the main, foreign policy amounted to throughout the Victorian period. It is the same today. Now, the momentous issues we have to face call for something more than the taking of fences as they come and improvising ingenious expedients for escaping from awkward situations forced upon us by others. Just as wars cannot be won by evacuations

¹ *The Times*, December 1935.

and retreats, however brilliantly executed, so the peace cannot be won by the ingenuity we may display in extricating ourselves from positions into which we ought never to have got.

Never was there a time when the need for thinking ahead was more imperative. But who has the time to think? Certainly not the Foreign Secretary. One must make every allowance for the burdens which a Cabinet Minister, and especially the Prime Minister and the Foreign Secretary, have to carry. Their duties, parliamentary, social, and executive, not to mention those exacting periodical journeys to Geneva, to foreign capitals, and to the provinces, impose upon them a mental and physical strain that calls for almost superhuman powers of endurance. They have not the time, even if they had the will, to elaborate comprehensive policies. Briand once said of M. Poincaré: "*Il travaille trop pour avoir le temps de réfléchir.*" Europe has suffered enough in consequence. We are moving so fast that Ministers are always prone to think in terms of the past and to let the realities of the present elude their grasp. And withal, they have to bear the full weight of responsibility from which they cannot and should not escape. It is only natural in circumstances like these that Ministers should develop a kind of apathy towards anything that is not of immediate importance and of limited objective. Sir Edward Grey once remarked that "during his term of office he was so pressed that he could not remember having taken any step that was not of immediate urgency and for the solving of a problem directly in front of him".¹ Sir Thomas (later Lord) Sanderson, a former Permanent Under-Secretary of State for Foreign Affairs, used constantly to remind the German Ambassador "that he ought to know that we had not got a policy and worked from hand to mouth".

Foreign affairs have a glamour all their own which acts like a candle to moths on all those members of the Cabinet who consider themselves heaven-born Foreign Secretaries. Thus, the Foreign Secretary is exposed to extraneous interferences from which the heads of other Government departments are comparatively free. A glaring instance of interference was the so-called "Garden Suburb" which flourished at 10 Downing Street during Lord Curzon's tenure of the Foreign Office. So mischievous did the Garden Suburb become that Lord Curzon felt compelled to draft a protest to Mr. Lloyd George which was, however, not sent because the latter had, meanwhile, resigned.

"There has grown up a system under which there are in reality two Foreign Offices, the one for which I am for the time being responsible and the other at No. 10, with the essential difference that whereas I report not only to you but to all my colleagues everything that I say or do, every telegram that I receive or send, every communication that reaches me, it is often only by accident that I hear what is being done by the other Foreign Office."²

Interference by other Cabinet Ministers is not unknown. The unfortunate strictures of Lord Snowden, when Chancellor of the

¹*Education of the Diplomat*, Hugh Wilson. Chap. IV, p. 47.

²"Life of Lord Curzon". *The Times*. Letter, Feb. 24th, 1938, signed by W. G. Baggallay.

Exchequer, on French policy at The Hague Conference which were so deeply resented by France is a case in point. Nor are Cabinet Ministers the only moths to feel the glamour of foreign affairs. Dr. Hugh Dalton, who was Parliamentary Under-Secretary of State for Foreign Affairs in the second Labour Government, tells us how the Bank of England, without consulting the Foreign Office, took the line that "unless Germany is economically strong and prosperous it is impossible to balance the one-sided political strength of France on the Continent"; and, as we have seen, the Bank acted accordingly in the case of the Kredit-Anstalt with none too happy results.

What are the functions of the Foreign Office? Has it a dominant influence or is it merely a clerical body? In the last half-century it has undergone profound changes. As late as 1893 the Foreign Office was much as it had been a century earlier. "The staff was rather larger; there was a little more decentralization, but the spirit of 1893 was the spirit of 1782."¹ The functions of the staff were purely clerical; they were almost entirely confined to matters of routine. Even the Permanent Under-Secretary had no higher duty than that of superintending the clerical work. The Select Committee of 1870 still insisted that no responsibility should be given to anyone but the Secretary of State. Not only was high policy left entirely to the initiative of the Secretary of State, but he also wrote all the important despatches himself. How complete was the control of the Secretary of State in Lord Palmerston's days, even as regards matters of detail, is evident from his statement in the House of Commons on March 8th, 1842. He said that

"during the time that I have had the honour of being at the head of the Foreign Department, I have read *every report and every letter* from Consular officers abroad—from the most elaborate report of the highest Consul-General down to the least important letter of the lowest vice-consul, very laborious reading it was; but scattered through the voluminous pages that had thus come under my eye, I found many important matters with which it was my duty to become acquainted and it is quite a mistake to suppose that, because there is a Superintendent of the Consular Department, the Secretary of State does not give the same minute attention to the matter as to the other duties of his office. [Great cheering.] I really believe that the Consular correspondence amounts to one-half of the whole correspondence of the Foreign Office."

Today the Secretary of State must see very few Consular papers.

The practice of sending every paper to the Secretary of State was continued into the seventies. Even as late as Lord Salisbury's time it was thought that a Minister could not control the Department unless he controlled its details.

The volume of work is now such that no Foreign Secretary could possibly cope with even the entire diplomatic correspondence, let alone the Consular, in the way Lord Palmerston professes to have done. A

¹ *The Foreign Office*, Sir John Tilley and Sir Stephen Gaselee.

mere comparison of the figures of registered correspondence will suffice to show that. Here are a few:

	<i>Papers registered</i>
in 1821	6193
in 1849	30,725
in 1869	51,000
in 1916	264,537 (Great War)
and in 1926	145,169

But even these figures give a very inadequate idea of the enormous increase in the work of the Foreign Office, taken as a whole.

"Sir Thomas Sanderson," says Sir John Tilley, "as late as 1906 was criticized because he never offered an opinion on policy to the Secretary of State; my belief is that he would not have regarded it as his duty to do so. Up to 1906, the Foreign Office, meaning the permanent staff, had not the significance it then began to attain. . . . The reform of 1906 effected a vast change—the Foreign Office as distinct from the Secretary of State became a body with a highly influential opinion."

The staff of the Foreign Office thus ceased to be purely clerical and executive. It became largely advisory. As the volume and complexity of work increased and became more highly specialized, the drive, which used to come exclusively from the top downwards, tended to come more and more from below upwards. Thus the initiation of high policy fell increasingly into the hands of the staff, often into those of very junior members, who had become experts on a particular subject. Suggestions pass up in hierarchical order through the Head of the Department to the Assistant Under-Secretary and finally through the neck of the bottle, the Permanent Under-Secretary of State, to the Secretary of State and so to the Cabinet. But that is a system which tends to congestion at the top, and does not admit of much thinking ahead on broad strategic lines at any stage of the procedure.

That the Foreign Secretary must be briefed, and that this is the job of the permanent officials, goes without saying; but unfortunately these officials, too, are so immersed in current business that they have little time to think out long-range policy. Moreover they tend to become more and more specialized. The intricacies and complexities of our modern problems seldom admit of being stated in a few words. Officials are therefore constantly on the horns of a dilemma; if they state the case on half a sheet of notepaper, it may be wholly unconvincing; if they state it at length, there is a strong probability that it will not even be read, let alone digested.

To think departmentally and let the future look after itself is very characteristic of the British temperament. It prefers the short to the long view. The truth is that in the absence of a "thinking shop" a long view is almost impossible. The pressure of current business has become so great that issues can only be dealt with as they arise and as matters of urgency. When a crisis occurs all energies are bent upon averting the immediate danger and postponing the evil day. Short views leave the major problems unsolved.

There is probably no Foreign Office of any Great Power which is not faced with these difficulties. In circumstances like these, much time and labour must of necessity be wasted in futile effort. Indeed, so many are the abortive proposals and counter-proposals that Foreign Offices everywhere are like herrings which lay thousands of eggs to secure one heir. All this is not the result of lack of ability or understanding, but of the pace at which we are moving and of the magnitude of the issues involved.

Formerly, as Sir John Tilley has pointed out, the Permanent Under-Secretary acted solely as the instrument for carrying into effect the instructions of the Foreign Secretary. Now, he has become the Chief Adviser, a role which is being more and more thrust upon him.

It is a fundamental principle of democracy that the determination of policy should rest with Ministers directly responsible to Parliament, and that civil servants should serve but not command. This is as it should be. But no Minister can possess the specialized knowledge in the many spheres which go to make up foreign policy today. Not only have economic, social, and financial problems come to exercise a dominating influence in foreign affairs, but questions of military and naval policy and imperial relations also play an increasingly important part. The tendency therefore is for initiative to drift more and more into the hands of the expert and for responsibility to become more and more diffused as specialization increases. A Foreign Secretary may often have little choice but to accept the advice of the experts.

These developments are apt to produce different schools of thought in the various strata of the official hierarchy and create dissonant elements which were either wholly absent or at least innocuous in the good old days, when the staff of the Foreign Office acted, not in an advisory capacity, but merely as the instrument for carrying out policy initiated and decided upon at the top. Now that the staff has become so highly influential in the formulation of policy, individual members have sometimes been singled out by name for public criticism, constitutionally a very reprehensible practice.

Clearly, if our foreign policy is to keep abreast of modern requirements it calls for a new technique. Mr. Amery has suggested that a small body of Cabinet Ministers, not more than six, should consider questions of policy before they come before the full Cabinet. Such a Ministerial Committee there certainly should be. But in the case of foreign policy, before that stage is reached, there is an intermediate step which cannot be skipped without risk. The presentation of the material upon which policy must be based demands the most careful preparation, and this brings us to the "thinking shop".

What form should the "thinking shop" take? Its organization should consist of the following parts:

Within the Foreign Office:

1. A politico-economic intelligence department.
2. An organization for the study of foreign political literature.
3. An advisory board.

Outside the Foreign Office:

4. A parliamentary committee for foreign affairs.

THE POLITICO-ECONOMIC INTELLIGENCE DEPARTMENT

Foreign policy can no longer be dealt with in a vacuum—and a purely political vacuum at that!—and on a hand-to-mouth basis. Science and technology have revolutionized the economic and social structures of many countries, more particularly of the great industrial states, not only affecting their domestic economy but, what is far more important, determining their attitude in the comity of nations. The more highly integrated the structure of an industrial state becomes, the more will economic considerations dominate foreign policy. As, in the last analysis, most clashes between nations can be traced to disparities in material welfare, it is of the first importance that the trend of economic and social developments in foreign countries should be subjected to intensive study and kept under constant observation so that their political implications may be clearly understood. But to do this effectively calls for systematic and accurate diagnosis over a vast field far beyond the ken of diplomatists. It needs specialized direction so as to elicit the right kind of information. To cure deep-seated political maladies, the Foreign Secretary must have his stethoscope in order to detect the symptoms of trouble at the earliest possible moment. That should be the function of a Politico-Economic Intelligence Department established in the Foreign Office itself and in close touch with all the sources of expert knowledge upon which direction can be based. It could thus also be made the means of keeping our Missions abroad in touch with home conditions and requirements, the knowledge of which should be an essential part of a diplomatist's mental equipment. The object of this department being to serve political ends, it should be staffed by members of the Foreign Service assisted by experts in an advisory capacity. It should be so constituted as to provide the information needed for the ends of peace as well as of war. It is not the function of the Foreign Secretary to determine domestic policy, but when there is a conflict between domestic and foreign policy it is his duty to stress the over-riding considerations of foreign policy in the interests of peace. If he is to substantiate his case he must have at his disposal the necessary independent machinery and, provided they are sound, his views should prevail over lesser considerations.

ORGANIZATION FOR THE STUDY OF FOREIGN POLITICAL LITERATURE

There is another sphere of research which needs attention—that of the psychology of other nations. We have seen in a previous chapter how powerful has been the influence of German literature on the moulding of German political thought, the trend of which, though superficially understood by diplomatists and politicians, was never subjected to systematic study. How many of our Foreign Secretaries and diplomatists have been really conversant with the teachings of Fichte, Treitschke, and Nietzsche? Yet how great has been the influence of these writers in the determination of German policy, especially since Bismarck's death!

And what is to be said about Japanese and Italian literature? An accurate and thorough knowledge of the psychology of other nations is

as indispensable as that of their economic needs and political ambitions. We can no longer be content with merely scratching the surface. Especially is this necessary in the case of potential enemies. To carry on diplomatic relations is one thing; to understand the soul of a foreign nation another. There is no better way of acquiring that knowledge than by following closely the trend of political thought as revealed by contemporary literature, including, of course, the Press. Overwrought diplomats have not usually the time, nor the equipment, even if they have the inclination, to engage in research of this kind except perhaps in a perfunctory manner. Half knowledge is more dangerous in foreign affairs than in most walks of life because it endangers the interests of whole nations. Systematic study can best be provided for by a separate organization at home under the direction of a body of specialists, for it cannot be dealt with within the compass of despatch writing. The British appeals to the German people over the heads of their leaders during the war has revealed a deplorable lack of understanding of German psychology, history, and political thought. Few statesmen have more openly spoken of their intentions than Hitler did in *Mein Kampf*. But who among our rulers could spare the time to read it, or, having done so, took it seriously? And yet the history of the immediate future was written there in letters as large as life for all to see.

The nucleus of a politico-economic intelligence department and a historical research department may now be said to exist but whether they will develop into the full-scale machinery contemplated here remains to be seen.

But it is not enough merely to diagnose maladies; the cures have to be found. Assuming that a politico-economic intelligence department and the organization for the study of political literature are in good working order, supplying exactly the information the Foreign Secretary requires to enable him to draw safe conclusions as to the future course of political events, the question arises, how can he make practical use of this information to avert any catastrophe he may foresee? At this point foreign policy impinges on the domain of domestic policy.

There are very many ways in which measures taken in the domestic sphere, whether through government action or private enterprise, can prejudicially affect the interests of other nations and so poison the international atmosphere. The capture of markets and the exclusion of foreigners from our own may be nectar to the Board of Trade, but it may spell unemployment abroad and ill-will towards this country and so play havoc with our foreign policy. It is the cumulative effect rather than isolated instances of measures taken in the domestic sphere which interfere with the normal course of international activities that is politically so dangerous. It is in the domestic sphere that the solution to many problems of foreign policy will be found. Thus we see that foreign and domestic policy are today two aspects of one and the same problem. They are indivisible. Gladstone once said: "The first condition of a good foreign policy is a good domestic policy." That was in the days when Great Britain called the tune. Today she is pledged to international co-operation under the Atlantic Charter. If that means anything, it is that domestic policy must be subordinated to foreign policy. Foreign policy is no longer

the exclusive preserve of the Foreign Office; nor is domestic policy of the home departments. In short, the Foreign Secretary can no longer deal with foreign affairs off his own bat to anything like the same extent as was possible even a few decades ago. If a politico-economic intelligence department can detect the evil effects of domestic policy abroad, it cannot by itself provide remedies; it can only diagnose, not cure. It follows, therefore, that the Foreign Secretary requires something more than an efficient politico-economic intelligence department for the diagnosis of developments abroad. He needs to be in control of machinery that will devise the means for the solution of the political, economic, and social problems which call for international settlement, for he can as little evolve these out of his inner consciousness as he can put them into practice without the co-operation of other departments. This all points to the necessity of an inter-departmental advisory board.

THE ADVISORY BOARD

The most pressing need today is a carefully thought-out, long-range, constructive foreign policy, for we can no longer afford to sit on the fence, wait upon events, and rely on muddling through. But has not Mr. Amery told us that there is nothing more abhorrent to Ministers, barely able to keep abreast of their current work, than to have to listen to long and discursive dissertations on high policy serving no immediate purpose and often highly controversial? And yet, do not peace and war depend on long-range policy rather than on the short view? If Ministers fight shy of wearying their colleagues with constructive forethought, it is hardly to be expected that permanent officials will wish to incur their chief's displeasure by trying to force him to face the music *coute que coute*. Whatever the past, today a foreign policy relying on improvisation must be sterile and, as events have now shown, exceedingly dangerous.

High policy is generally simple in its ultimate aim, but it is infinitely complex in the elaboration of detail. It is one thing to draw up an Atlantic Charter; it is quite another to implement it. It is with detail that the real difficulties begin. A lasting peace is the final objective, but this, though simple as an end, resolves itself into a multitude of separate and highly specialized problems which cannot be dealt with without expert advice and initiative. Without that assistance neither the statesman nor the diplomatist can get much beyond visualizing the direction of aim in a very general way. Since the ways and means (and their name is legion!) must be provided by the experts, the need for a co-ordinating control becomes obvious.

This surely expresses a need common to all the great Powers. Derogatory though such a multiplicity of influences may be to the authority of Foreign Secretaries everywhere, it is a perfectly healthy and normal development. In the light of present-day conditions diplomatic machinery needs readjustment and the direction of foreign policy a new technique.

The co-ordination of the various elements which ultimately find concrete expression in foreign policy should be the chief function of every Foreign Office. It is no longer possible to rely solely on the spontaneous

un-co-ordinated efforts of diplomatists, however able, who with their necessarily localized horizons ceaselessly pump in information on current events into the capacious maws of Foreign Offices. To extract the political essence of situations made up of a vast number of non-political elements often of a highly technical and specialized character needs the guidance of systematic direction from home, even more than expert advice on the spot; for the information received must conform closely to what the home authorities want to know if there is not to be a great deal of waste effort. The chief reason for an Advisory Board is the fact that a vast amount of exploration and preparation will be needed on the part of all the Government Departments concerned, which must be co-ordinated. All this is spadework, the business of officials and not of Ministers. Unless the ground has been very carefully prepared, the most that a Ministerial Committee can do is to lay down the broad outlines of foreign policy and give instructions to all the departments concerned to work out a scheme for giving effect to them. Therefore, the practicability of any line of policy must depend on expert advice after the elaboration of an infinite mass of detail on a great variety of subjects. Ministers, who are moreover birds of passage, cannot possess the necessary expert knowledge to deal with such matters at a Ministerial Committee unless properly briefed. If they could, it would absorb most of their time. The real initiative must, therefore, inescapably drift back into the hands of experts. If this work were undertaken by a Ministerial Committee the probable result would be the setting-up of innumerable inter-departmental sub-committees and the multiplication of *ad hoc* meetings at different Government Offices, according to the subject under review. These would be presided over by a high official of the Department which happens to be particularly concerned. The Foreign Office representative would almost certainly be of lower status and would vary according to the subject to be discussed. He would, therefore, carry no more weight than the representatives of other Departments. In short the Foreign Secretary would lose his dominating influence and co-ordinating control because of an ever-increasing diffusion of responsibility throughout the official under-world. These *ad hoc* interdepartmental discussions can no longer suffice if foreign policy is to be governed by strategy and not by tactics. Of course, the Advisory Board would also not be able to dispense with sub-committees to study problems of a specialized character, but its existence would ensure co-ordination and conformity to the overriding purposes of foreign policy before proposals reach the Ministerial Committee. We should accustom ourselves to the idea that the initiative, whether we like it or not, must come increasingly from the experts and that, provided always the final decisions rest with Ministers, it is the system best suited to modern requirements. Is it not therefore right, indeed essential, that the initiative should originate under the ægis of the Foreign Secretary rather than that it should rest with, and become diffused among, a number of departments not normally concerned with or responsible for foreign policy? All Government Departments are, of course, chiefly interested in their own particular sphere, and since they mostly aim at bringing grist to the British mill in one form or another, their outlook is mostly nationalist, but the Foreign Office is concerned with the over-riding consideration of the maintenance of peace, and this

means an international outlook. Therefore, the Foreign Secretary must have the right of veto over any domestic measure likely to produce international friction and also to put forward suggestions aiming at international concord. The problem, therefore, is how to effect closer inter-departmental co-operation which, while upholding the over-riding authority of the Foreign Secretary in regard to foreign policy, will not encroach upon the province of the other departments concerned, and will prevent trespassing on one another's preserves.

Here, for example, are a few subjects which such an advisory board might with advantage examine.

1. The advisability of a thorough investigation into the causes of modern wars and of publishing and broadcasting the result for the education of public opinion. Such an examination should reveal much as regards what should be avoided and what should be done by the victorious, the defeated and the neutral countries alike. But it can hardly fail to show that fundamentally the main cause of modern wars is that nationalism and sovereignty are increasingly in conflict with the international activities of individual and private enterprise and obstruct human progress. If nationalism and sovereignty are still too deeply rooted in the minds of men and the time is not yet ripe for a frontal attack in these time-honoured obsessions, what practical steps can be taken to minimize their evil effects at the moment?

2. Is the de-industrialization of Germany to the point when she will take no more than her rightful place in the general scheme for the economic integration of Europe desirable and practicable?

3. Is the internationalization of functional activities across frontiers under international governmental control desirable and practicable?

4. Is it desirable and feasible to develop by international capital those areas in Europe and in the Mandated territories which constitute natural economic units regardless of political frontiers, in the interest of greater economic unification; and to turn these into large-scale economic autonomies to be privately owned and managed by international groups, but to vest the supreme control not in them, but in their Governments?

5. Would it be possible and desirable to extend and adjust the mandatory system under the League of Nations so as to ensure a larger measure of equality in the distribution of mandates? If so, cannot they also be divided up into areas which constitute natural economic units, and the same principle be applied as under 4?

6. Is it feasible to establish international control to regulate the allocation of raw materials? If so, what should the system be?

7. Is a customs union for Europe including the British Empire desirable in the interests of peace? If so, what steps can be taken to achieve it?

8. What can be done to reduce trade barriers to a minimum?

9. Can anything be done by way of international agreement regarding news, broadcasting and the education of youth?

Are not all these questions relevant to the creation of that identity of interest in Europe which is the best safeguard against war? "Not this man and that man," wrote Carlyle, "but all men make up mankind and their united tasks the tasks of mankind."

The advisory board should consist of the permanent heads of those departments responsible for foreign and domestic policy, the Board of

Trade, the Treasury, the Colonial Office, the Dominions Office, the India Office, etc.; it should be presided over by the Permanent Under-Secretary for Foreign Affairs as the representative of the department responsible for exercising the co-ordinating function. British foreign policy, to be effective, must be an imperial policy. British leadership depends upon imperial unity. Therefore, it is essential that the Dominions and India should be represented either on the board or the Ministerial Committee, or on both. But, for this, the Dominions must adopt a different outlook. They must shed their suspicions of London and distrust of their own High Commissioners and face the fact that membership of an Empire carries with it obligations as well as privileges. Imperial representation on the advisory board would no more tie the hands of the Dominion Governments than those of the British Government. But unless there is a closer day-to-day contact with the Dominions, a crisis calling for rapid decision, in which opinions may be so hopelessly at variance as to paralyse action, might at any moment create a rift in Imperial foreign policy.

While on the subject of the Dominions, there is another reform which needs attention. The conduct of foreign affairs is one function and not two. It cannot be carried on efficiently under a condominium of two public offices. The interposition of the Dominions Office between the Dominions and the Foreign Office acts as a fifth wheel to the coach. If the conduct of foreign affairs is one and indivisible, then the Foreign Office should be in direct correspondence with the British High Commissioners in the Dominions and the Dominion High Commissioners in London, in exactly the same way as it is with the diplomatic representatives abroad and foreign diplomatic representatives in London, *but only as regards foreign affairs*.

The advisory board should have its own secretariat and the power to call for witnesses and papers, and make *ad hoc* appointments to its deliberations. It would exercise no executive function but would be engaged in purely *preparatory and exploratory spade-work in an advisory capacity*. Thus constituted it should represent the best collective expert opinion obtainable.

It might be difficult to include on the advisory board other than government officials but such important representatives of finance, industry, and trade as the Governor of the Bank of England, the President of the Federation of British Industries, the President of the Associated Chambers of Commerce, and the General Secretary of the Trade Union Congress should in some form or another be associated with it.

Since it has for a long time past been impossible under modern conditions for any single individual, however able, to act as sole adviser on foreign affairs, it is only right that recommendations in regard to high policy should be the collective responsibility of the permanent heads of all the departments concerned. Nor can the mere multiplicities of experts abroad and at home be a substitute for the lack of co-ordinated advice which can emanate only from such a body.

As the first essential is to ascertain the lie of the land, the investigations of the advisory board must be carried out with complete objectivity and freedom from extraneous influences. It is therefore desirable that a Cabinet Minister should not preside over the board, since its func-

tions should be strictly limited to exploratory and preparatory work, and the examination of problems which it may be instructed to make. But once formulated, the findings of the board with their recommendations should be examined by the Ministerial Committee, presided over by the Foreign Secretary and consisting of the Ministerial heads of all departments concerned, including, if possible, Dominion representatives. Finally, they would come before the full Cabinet. At this stage the Dominion Governments would have to be consulted in the absence of an Imperial Cabinet such as that suggested by Lord Bennett.

Such a system would serve the double purpose of acting as a check upon ministerial stampedes before popular clamour and as a spur to educate public opinion. It would in no way interfere with the final authority of the Cabinet. If today foreign policy requires popular support, equally so do the people need ministerial guidance. But if there is no time for thought, how can one lead? Most politicians, in their dread of public opinion, are content to follow rather than lead. This accounts for much of the inconsistency and instability of their conduct. It paralyses their action and forces them into the most dangerous of all policies, that of drift.

What do we understand by drift? Let us be clear on this point. Policy is intelligent only when it has an aim. To wait upon events is a sound policy only if it serves a purpose. When there is nothing behind it, or when it implies a refusal to face ugly facts, we have a policy of drift, but if the broad strategic lines of policy have been thought out and are correct, all the rest will automatically fall into its proper place as part of a consistent whole. If minor issues are allowed to intrude themselves before first principles have been settled, merely because their urgency calls for immediate action, there is always a great risk, not only of inconsistency but, what is worse, of compromising the future. Drift has no strategy behind it. It is not the way to avert disaster to sit on the fence until the last minute of the eleventh hour. From lack of definite aim, of constructive forethought and of sure touch in the handling of foreign policy, arises one of the greatest dangers to world peace.

Unless there is some organization under the direction of the Foreign Secretary for the co-ordination of the activities, not only of other government departments but also of finance and private enterprise, his authority will disintegrate and the control of foreign policy will imperceptibly slip out of his hands into those of a multitude of entities leaving him with the responsibility for it. Is the Foreign Office to become merely a post office for other government departments? Are the Missions abroad to become mere pillar-boxes and the diplomatists once more mere messenger-boys? That process has already gone some way. International conferences among experts have become much more frequent, and when any really vital problem arises Ministers literally drop from the skies accompanied, if necessary, by a crowd of experts. Notwithstanding the fact that under modern conditions, for technical and other reasons, the initiative in foreign policy is inevitably drifting more and more into the hands of other departments, it still remains the business of the Foreign Office to control foreign policy. It is, moreover, constitutionally responsible for the correct conduct of relations with all foreign governments and for all official action taken abroad. This implies that, if it is not entirely to

abdicate its authority in face of this ever-growing diffusion of responsibility, it must become a great co-ordinating department. That is its true function under the new dispensation and it is a very great one—indeed, far more onerous than any it has hitherto had to discharge.

Had some such organization as suggested above been in existence after the First Great War, is it not possible, indeed probable, that many mistakes might have been avoided? Would it not have called attention to the revolutionary character of the social and economic changes which were taking place, not in Germany alone, but all over the world, and to the inevitability of another conflagration unless something were done to meet the situation? Might not, for instance, Mr. Lloyd George's Genoa Economic Conference of 1922 have been prevented from fizzling out if he had had a programme which he confessed he had not? Had the British Government had before them a proper diagnosis of German conditions, it is inconceivable that they would have tolerated the steady flow of credits to Germany, a very substantial proportion of which was devoted directly or indirectly to re-armament. In the past, statesmen have looked only at the ripples on the political surface and neglected the ground swell of massive events. It was only when re-armament started in real earnest and when it was too late that some prophets began to predict what had already become a certainty. If calamity is to be averted it is essential to detect the causes of war long before that stage is reached. For far too long has diplomacy been content with scratching the surface of things while neglecting the elemental forces which determine the issues between peace and war.

It can of course be argued that such a body as is here advocated would merely sit and brood. There is that danger; no machinery, however perfect, will work unless there is directive capacity behind it. Nothing can make up for the personal factor. Whoever presides over such an advisory board must possess breadth of vision, imagination, and emotional drive, together with the ability to sense a great deal more than he knows in weighing up imponderabilia—in short, a flair.

No doubt it will be feared that an advisory board would place too much power in the hands of the permanent officials. Democracy demands that permanent officials should be on tap and not on top. That sound principle would be amply safeguarded by the Ministerial Committee. But since the initiation of policy now comes increasingly from below upwards rather than from above downwards, the advisory board is not an innovation so much as an extension of an already accepted principle, the only difference being that advice would be tendered not individually but collectively on matters which can no longer be dealt with adequately by inter-departmental correspondence. Being the product of all departments concerned, such advice would be all the more weighty. But it is precisely because it is so much more weighty, and the responsibility for ignoring it so much greater than is the case with individual advice, that the most strenuous opposition is to be expected. In truth, however, the opposition is not so much against the collective system, which after all is still advisory, but the dread of being faced with a consensus of expert opinion on stern realities, which may come as a shock to public opinion and from which there is no escape. It will not be the board but the realities which will tie the Foreign Secretary's hands, because

they are inexorable. But ought they to be shirked on that account? Those realities, if unpalatable, are far more easily brushed aside when presented by individuals, however competent or highly placed. The object of an advisory board would not be to place more power in the hands of permanent officials but to prevent the present tendency towards diffusion of responsibility and disintegration of authority from getting out of hand and to bring all disruptive elements under the control of the Foreign Secretary. Are we then to believe that democracy will prefer inefficiency to the efficiency of a system which makes the Foreign Secretary master in his own house lest it offend democratic principle?

Further, it can be argued that such a board is not likely to prove more unanimous than the Cabinet itself. It may be so; but men meeting regularly and accustomed to deal with one another's problems in relation to high policy are more likely to shed their strictly departmental outlook and to think on broader lines than is possible through official correspondence or *ad hoc* conferences on a multitude of subjects in isolation from one another. It all comes back to this: do we want our foreign policy to be built up on solid foundations and guided by constructive forethought, or do we still prefer to wait upon events and place our trust in improvisation? An alternative to an advisory board, and probably a more acceptable proposal, would be the creation of a Ministerial Committee presided over by the Foreign Secretary with a permanent secretariat, upon which would be represented all the departments concerned. But would not such a secretariat in practice inevitably develop into an advisory board and could the permanent heads of departments be excluded from it without risk of the major issues of foreign and domestic policy being dealt with over their heads?

The late Lord D'Abernon, that distinguished diplomatist and financier who was British Ambassador at Berlin in the crucial years after the First Great War, put his finger on the right spot when he advocated a General Thinking Staff. He said:

"The first fact that impresses the student in a survey of the history of our foreign policy is the comparative absence of broad principles set forth in the speeches and declarations of British Foreign Ministers. A reader of the Cambridge History of British Foreign Policy would search in vain for a succinct statement of the attitude of Great Britain to the other European Powers, nor would he discover any declaration indicating definite permanent objectives. The latent force directing action appears rather to have been a rough and ready instinct than any definite programme . . . instinct proceeding from the public rather than from the constructive policy of any Minister or leading statesman."

He goes on:

"There are two points on which British methods may be modified with advantage and without undue sacrifice. We should be more definite and consistent, thereby increasing our reputation for steadfastness, and we should bear more closely in mind our imperial interests when framing our foreign policy.

"The Committee of Imperial Defence has rendered such remarkable imperial service in co-ordinating the work of different departments that something on similar lines might be established to study the problems of foreign policy; or an alternative might be borrowed from foreign practice—the Council of Elder Statesmen in Japan worked out problems independently of current party preoccupation."¹

If co-ordination has been found indispensable for the three fighting services, how much more necessary must it be for high policy to which, in the last resort, the fighting services have to adjust themselves! There can be no policy without purpose; no purpose without cohesion; and no cohesion without the machinery for co-ordination.

So much for the internal organization of the Foreign Office. But that alone cannot ensure continuity of foreign policy. Throughout the Victorian Era, the basic principles of foreign policy, such as the balance of power, *laissez-faire*, free trade, two keels to one, splendid isolation, etc., remained constant no matter what party was in power. These have now gone. New foundations have got to be laid. Since ideological cleavages are today as sharp between political parties as between nations, the new principles are likely to become the battleground of party strife as never before. A strong foreign policy under modern conditions cannot rest on divided counsels. Unity at home is essential to leadership abroad. Unless foreign policy can be lifted above party controversy it will be halting, vacillating, and uncertain. To achieve unity, the government in power should take the opposition into its confidence, not merely at times of crisis, but by a closer day-to-day contact. The best means of ensuring this would be a standing Parliamentary Committee, presided over by the Foreign Secretary and on which all parties and both Houses of Parliament would be represented.

Admittedly, the examples of America and France are not very encouraging, nor is such a committee free from certain objections. But it does not follow that what has proved a failure in those countries owing to circumstances peculiar to them need necessarily be so here. Much must depend on the personality of the Foreign Secretary. Such an institution would not, of course, guarantee unanimity, but the last word must rest with the Cabinet, not the committee. Yet, there is much to be said in favour of it. A Parliamentary Foreign Affairs Committee would at least provide the machinery for continuous consultation between parties.

Though neither an advisory board nor a Foreign Affairs Committee affords any better guarantee of unanimity than a Cabinet itself can, nevertheless, even if the prospect of agreement may not seem very promising, close and regular consultation between all parties is more likely to lead to co-operation and to remove differences than if foreign policy is left to be debated across the floor of the House of Commons at every turn of the international kaleidoscope. What is more, the board and the committee might prove important cogs in any machinery for international co-operation that may be set up after the war.

¹ Sidney Ball Lecture at Oxford, October 31st, 1930.

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Further, it can be argued that such a board is not likely to prove more unanimous than the Cabinet itself. It may be so; but men meeting regularly and accustomed to deal with one another's problems in relation to high policy are more likely to shed their strictly departmental outlook and to think on broader lines than is possible through official correspondence or *ad hoc* conferences on a multitude of subjects in isolation from one another. It all comes back to this: do we want our foreign policy to be built up on solid foundations and guided by constructive forethought, or do we still prefer to wait upon events and place our trust in improvisation? An alternative to an advisory board, and probably a more acceptable proposal, would be the creation of a Ministerial Committee presided over by the Foreign Secretary with a permanent secretariat, upon which would be represented all the departments concerned. But would not such a secretariat in practice inevitably develop into an advisory board and could the permanent heads of departments be excluded from it without risk of the major issues of foreign and domestic policy being dealt with over their heads?

The late Lord D'Abernon, that distinguished diplomatist and financier who was British Ambassador at Berlin in the crucial years after the First Great War, put his finger on the right spot when he advocated a General Thinking Staff. He said:

"The first fact that impresses the student in a survey of the history of our foreign policy is the comparative absence of broad principles set forth in the speeches and declarations of British Foreign Ministers. A reader of the Cambridge History of British Foreign Policy would search in vain for a succinct statement of the attitude of Great Britain to the other European Powers, nor would he discover any declaration indicating definite permanent objectives. The latent force directing action appears rather to have been a rough and ready instinct than any definite programme . . . instinct proceeding from the public rather than from the constructive policy of any Minister or leading statesman."

He goes on:

"There are two points on which British methods may be modified with advantage and without undue sacrifice. We should be more definite and consistent, thereby increasing our reputation for steadfastness, and we should bear more closely in mind our imperial interests when framing our foreign policy.

"The Committee of Imperial Defence has rendered such remarkable imperial service in co-ordinating the work of different departments that something on similar lines might be established to study the problems of foreign policy; or an alternative might be borrowed from foreign practice—the Council of Elder Statesmen in Japan worked out problems independently of current party preoccupation."¹

If co-ordination has been found indispensable for the three fighting services, how much more necessary must it be for high policy to which, in the last resort, the fighting services have to adjust themselves! There can be no policy without purpose; no purpose without cohesion; and no cohesion without the machinery for co-ordination.

So much for the internal organization of the Foreign Office. But that alone cannot ensure continuity of foreign policy. Throughout the Victorian Era, the basic principles of foreign policy, such as the balance of power, *laissez-faire*, free trade, two keels to one, splendid isolation, etc., remained constant no matter what party was in power. These have now gone. New foundations have got to be laid. Since ideological cleavages are today as sharp between political parties as between nations, the new principles are likely to become the battleground of party strife as never before. A strong foreign policy under modern conditions cannot rest on divided counsels. Unity at home is essential to leadership abroad. Unless foreign policy can be lifted above party controversy it will be halting, vacillating, and uncertain. To achieve unity, the government in power should take the opposition into its confidence, not merely at times of crisis, but by a closer day-to-day contact. The best means of ensuring this would be a standing Parliamentary Committee, presided over by the Foreign Secretary and on which all parties and both Houses of Parliament would be represented.

Admittedly, the examples of America and France are not very encouraging, nor is such a committee free from certain objections. But it does not follow that what has proved a failure in those countries owing to circumstances peculiar to them need necessarily be so here. Much must depend on the personality of the Foreign Secretary. Such an institution would not, of course, guarantee unanimity, but the last word must rest with the Cabinet, not the committee. Yet, there is much to be said in favour of it. A Parliamentary Foreign Affairs Committee would at least provide the machinery for continuous consultation between parties.

Though neither an advisory board nor a Foreign Affairs Committee affords any better guarantee of unanimity than a Cabinet itself can, nevertheless, even if the prospect of agreement may not seem very promising, close and regular consultation between all parties is more likely to lead to co-operation and to remove differences than if foreign policy is left to be debated across the floor of the House of Commons at every turn of the international kaleidoscope. What is more, the board and the committee might prove important cogs in any machinery for international co-operation that may be set up after the war.

¹ Sidney Ball Lecture at Oxford, October 31st, 1930.

CHAPTER XV

QUALIFICATIONS NEEDED FOR THE MODERN DIPLOMATIST

"Il y a peu de choses aussi difficiles et aussi dangereuses que le commerce des hommes."

WHILE fettered by an uninstructed electorate and obsolete machinery the most gifted of Foreign Secretaries and diplomatists can never give of their best. But the best-educated public and the most efficient machinery will not lead to effective foreign policy unless the men responsible for its strategy and tactics have the right qualifications. Earlier in this book an attempt was made to define the difference between the functions, as distinct from their qualifications, of the Foreign Secretary and the diplomatist. We have now to consider the kind of mental equipment and other qualifications needed to cope with the new demands.

Since good strategy is the foundation of all statecraft, let us think of the Foreign Secretary as the nerve centre of a vast network, where all the threads of foreign policy converge. A learned German writer once said of the diplomatist that "he did not dare to enumerate the qualities he ought to possess because he would only end in describing a being that could be found nowhere. Even if he could be found, it would sometimes be unsafe to use him, since there are matters on which a fool can be better employed than a wise man." If that applies to the diplomatist with his much more limited scope, what is to be said of a Foreign Secretary whose functions range over the whole international field? If perfection is unattainable we can at least single out those qualities of mind and character without which no Foreign Secretary can become a great statesman.

Of all qualities the most fundamental is that of honesty of purpose. Whatever other recommendations a Foreign Secretary may possess will be vitiated if he is lacking in this. In the days when foreign affairs were untrammelled by parliamentary control and the interference of a meddlesome public, it was easier for him to steer the course of true statesmanship. Today he has to be a politician as well as a statesman, and there is no quality so handicapping to the politician, and so absolutely indispensable to the statesman, as that of honesty. George II was perhaps right when he observed that politics was no trade for a gentleman. There is no sphere in which faults of character are likely to react more disastrously on the public interest than in that of foreign affairs, because their effects can be so widespread and far-reaching. This is especially true of Great Britain, whose future henceforward is likely to depend more on moral leadership than on physical power. "It is the character of party, especially in England," said Lord John Russell, "to ask for the assistance of a man of talent, but to follow the guidance of a man of character."

For a statesman to be totally devoid of ambition is no recommendation, but unless subordinated to that of the public interest it is generally only a matter of time before he comes to grief. The true statesman needs to be made of that stern stuff which keeps a man on a straight course, seeking his reward not in popular applause at the next General Election but in the ample contentment which a clear conscience, self-respect, and

the conviction of an ultimately favourable verdict of history alone can ensure. Intellectual qualities by themselves can never atone for faults of character. "Character is Destiny," said Lord Beaconsfield. If in foreign affairs the straight path has always been a difficult one, it has become infinitely more so since domestic and foreign policy have become inseparable and the latter subject to popular control. The statesman has now to stoop to the methods of the politician, unless he is to run the risk of being driven from office. Still it is the moral qualities which in the end rule the world. Now that Britain's naval and commercial power is no longer supreme and is being increasingly challenged, her moral influence, and accumulated store of political wisdom, born of long and world-wide experience, equalled by no other country, remain her greatest assets, and to safeguard these should be a Foreign Secretary's first concern. When once Great Britain's moral influence disappears, she will be definitely on the decline.

Next to unimpeachable integrity come breadth of vision and depth of insight. These reveal the master mind. Without them neither idealism nor honesty of purpose will get very far. Never before were they needed in so high a degree as at the present day. To comprehend the modern world with all its complexities, contradictions, currents and cross-currents, political, social, and economic—to see them as a whole, and all the parts in relation to the whole, as well as to each other—requires great powers of synthesis as well as of analysis. Contradictions have to be reconciled; immediate necessities have to be harmonized with distant aims. The power to gauge the currents which flow both on and beneath the political surface is given to few. It is not mere intellectuality with its sparkling word-play that is needed in the modern statesman but that steady illumination of the mind which combines realism and idealism with that rarest of all qualities, the genius of common sense. The sharpness of the needle may secure tactical advantage in a contest of wits, but where strategy is concerned needles make very small holes. The slower-working mind is often the surer.

If a Foreign Secretary is to be first and foremost a good strategist, he cannot be content merely with meeting and averting immediate dangers. To deal with such dangers when and as they arise often requires skill, nay, very great skill, but it belongs to the tactical and not to the strategic order. Good strategy implies something more than mere survival, something more than the discovery of expedients to meet sudden emergencies and to postpone the day of the decisive battle, something more than the invention of ingenious formulae to parade as an agreement the absence of a settlement. Tactics without strategy lead only to temporary solutions which as often as not result in the creation of new problems and the perpetuation of a never-ending choice of evils.

The power to sense the future, to live in it and act up to it is an essential part of the farsighted statesman. He must possess a fine perception of all the indications of coming change and the ability to divine the high import of things from the signs which to most are imperceptible and unintelligible. Talleyrand possessed this quality in an eminent degree and in this he was the antithesis of the reactionary Metternich. He was always thinking of the future and regulated his conduct accordingly. There is, of course, a vast distinction between prophecy, which affords no basis for

a line of conduct, and sensing the future, which does. It is often said that prophecies are dangerous. They are not dangerous, they are merely futile. We only hear of those which come true; but the vast majority prove false. Even if they do come true, do they achieve anything?

"Do you know," said Napoleon III, while a captive at Wilhelmshöhe, to the German, Mels (a journalist and contributor to *The Times*), "what that dream of a united Germany will cost you? A price that will cure once and for all those who let themselves be carried away by fancies of sovereign power. In spite of herself Prussia in twenty or thirty years' time will be forced to become aggressive. And then all her clever turns of diplomacy, all the valour of her troops will avail her nothing. Then it will be seen what Bismarck's dreams have cost her. But there, we cannot agree," he said with a smile to the German journalist, taking both of his hands; "you will forgive me if I have rubbed your patriotism the wrong way."

Lord Cowley, too, who was British Ambassador in Paris almost throughout the Second Empire, had similar forebodings, for he wrote in 1866: "I do not think the future will be a pleasant one for England. I have no faith in the friendship of Prussia and if ever she becomes a naval Power she will give us trouble."

1914 and 1939 have proved the farsightedness of these two prophets. But such long distance prophecies about events to come, though interesting in retrospect, are of no value because there was nothing to be done about them.

What is a far more valuable gift than that of prophecy is the flair for discerning the trend of future developments. It is this which keeps a statesman abreast of the times. As the complexity of human affairs grows, so the distant political horizon becomes more and more difficult to scan. Men who are too far ahead of their times generally leave no mark on contemporary history. They cannot influence to any great degree their own generation. The gulf is too wide. True statesmanship, however farsighted, will concentrate on the middle distance to begin with and then proceed step by step, for the right tactics today may be the wrong ones tomorrow. It is the appreciation of the difference between yesterday and tomorrow that makes the statesman—not between today and the day after tomorrow.

When Palmerston denounced the making of the Suez Canal as a "swindle and a bubble"¹ he showed his lack of imagination in failing to grasp the vast importance of bringing the West and the East into closer relationship. He could not sense the future. He proved himself to be neither a true seer nor a good prophet. It was left to a statesman with greater vision and imagination to secure for Great Britain the controlling interest in the Suez Canal Company. Disraeli concentrated on the middle distance.

Akin to the gift of sensing the future is that of sound judgment. It is vital, since all action must be based on it. To weigh what Bismarck used to call the imponderabilia of foreign affairs is more a matter of natural intuition, assisted by ripe experience, than of reason. It is by no means always the greatest problems that call for fine judgment. The niceties of unexpected incidents which occur from day to day may be relatively

¹ From an unpublished letter of Palmerston in the possession of the author.

unimportant in themselves, but if mishandled they may develop into acute situations. The unerring instinct for the right solution despite the logic of facts is a heaven-born gift which cannot be acquired. It is the same in most walks of life; but nowhere is the absence of it so perilous as in international affairs, since in the whole range of human activity there is no sphere which can compare with them as regards the magnitude of the interests which may be affected. Not infrequently, and unfortunately, good judgment has to give way to irresponsible outside influences. Something has to be done when nothing ought to be done, and *vice versa*. Under democratic conditions this is a constant danger.

Without imagination statesmanship will lack the *elan* which is necessary to the execution of any great conception. If imagination leaves something to chance, it also introduces that touch of enthusiasm without which no great things are ever done.

There is another quality which the Foreign Secretary ought to have and that is magnanimity—a quality easier recognized than defined. Lord Grey of Fallodon had it pre-eminently; so, though the vintage is different, has Field-Marshal Smuts. It is the antithesis of everything pettifogging and mean. It is what the Russians mean by "*shirokaya natura*" (a broad nature).

A quality which may almost be said to be new, but which has now become indispensable in the make-up of a Foreign Secretary, is a working knowledge over a wide range of subjects. If ignorance was bliss in the past, today knowledge is power. Talent without knowledge no longer suffices. Diplomacy has ceased to be merely a delicate art; it has also become a profound science. Modern political issues cannot be satisfactorily dealt with without a thorough understanding of the underlying causes which have produced them. But how can a Foreign Secretary be expected to acquire such encyclopaedic knowledge? The ramifications of all the threads which go to make up world affairs is spread far too wide to admit of any real grasp except by prolonged and systematic study. This can be achieved more easily out of office than in. Even when these have been mastered, no outgoing Foreign Secretary can impart that knowledge to his successor, who must start the process all over again. The greatest master mind cannot today dispense with his thinking shop, if foreign policy is to be anything more than patchwork and the taking of political fences. Merely to wait upon events is to surrender initiative.

But the possession of all the qualities we have so far mentioned—honesty, knowledge, the synthetic and analytical turn of mind, the large vision, foresight, and judgment—alone will not suffice to make the man of action. And after all it is in action, not in contemplation, that the statesman shows his fibre. The qualities that make for greatness in the man of action are those of moral command which fit him for constructive work in the grand style.

This brings us to the qualities of leadership—leadership in the Cabinet, in the country, and in the international sphere. Each of these spheres calls for different qualities rarely found united in the same individual. In the Cabinet the Foreign Secretary needs the gift of exposition and the power to carry conviction as much by argument as by the strength of his personality if he is not to risk being outmatched by colleagues more versed in polemics than himself though possessed of less political acumen.

However sound his arguments a well-trained legal mind, for instance, may find little difficulty in pulverizing them, based, as they often must be, largely on imponderabilia. In foreign affairs it is very easy to find excellent reasons for arriving at wrong conclusions. It is, for instance, difficult to make the uninitiated understand that in foreign affairs the logical consequences do not necessarily follow every political act, and that sometimes one is on firmer ground in developing a sense of unreality as is often the case in dealing with oriental countries. A Foreign Secretary requires to be a very strong and forceful personality, not only to hold his own in the Cabinet but to be master in his own house. The moment he ceases to be so, he abdicates his authority. He needs to possess great prestige—and now more than ever—but prestige is the product of continuous success, of sound judgment and experience, and above all of character and personality.

Amid the complexities of the modern world the necessity of leadership in the education of public opinion has become a matter of the highest importance. Today a Foreign Secretary more than ever must understand the mass psychology of his own people. If he is aware of the mental inferiority of all collectivities he will not reason so much as assert his views and cajole his audiences into his way of thinking. He may often have to suppress his true sentiments and dwell only on those which he knows will meet with approval. If the Foreign Secretary's prestige stands high his views will often be accepted without question. However clear he may be in his own mind as to the ultimate objective and the many stages through which his policy may have to pass before attaining it, it is not so much by intensive preparation of the public mind that he is likely to succeed in leading public opinion, as by a gradual and gentle approach, step by step, slightly ahead of public opinion. The essential thing is to maintain a steady lead throughout, though always slight. Unless he can do this he will not lead, but follow. How well President Roosevelt has understood this!

Great leadership always implies a certain magnetism of personality which manifests itself as much in the power of speech as in action. "No man," said Lord Chesterfield, "can make a fortune or a figure in this country without speaking, and speaking well, in public." Public speaking, an art in itself, is indeed the password to power, though good speakers are by no means always the best thinkers. Froth always goes to the top and without rhetoric no politician, however gifted in other respects, is likely to get far. A Foreign Secretary must therefore be a capable speaker and a good parliamentary debater. But though eloquence is a mighty weapon in the hands of a Foreign Secretary it is not a substitute for statesmanship. It becomes dangerous, if it is merely—as it is sometimes—a cloak to conceal looseness of thought and ignorance. The magic of this art lies in its depth; it must come from the heart and not from the lips. The stammered utterances of the thinker will often contain more pearls of wisdom than the polished phrases of the practised orator, though he may not carry his audience with him. A Foreign Secretary should eschew the exuberance of the demagogue as much as the pedantry of the professor. His speeches should be dignified, free from ambiguity and oratorical trickery, and bear the hallmark of candour and sincerity. He must never pretend what he does not intend; he must never preach what he does not practise.

"From the time of Charles II," says Macaulay, "down to our own time parliamentary talent has been the most valuable of all the qualifications of an English statesman. It has stood in the place of all other requirements. It has covered ignorance, weakness, rashness, the most fatal maladministration. A great negotiator is nothing compared with a great debater; and a Minister who can make a successful speech need trouble himself little about an unsuccessful expedition."¹

There are many examples in English history to testify to this melancholy fact.

In these days of democracy an essential part of a Foreign Secretary's functions is to keep his finger on the pulse of public opinion and of Parliament. He can scarcely be in the Upper House unless the Prime Minister assumes charge of Foreign Affairs in the Lower House. But members of the Upper House can spare more time for the study of foreign affairs. If as a Peer the Foreign Secretary could speak in both Houses it would be an advantage. To this, however, there are constitutional objections.

It is one thing to win confidence at home; another to lead abroad. Not only must a Foreign Secretary inspire confidence in foreign countries, but he must know how to harmonize the international with the national outlook. If at home the Foreign Secretary has to understand mass mentality, so abroad he has to understand the psychology of foreign nations and that of their statesmen as well as the motives which prompt their political behaviour. It is precisely because these are sometimes so alien to our habits of thought that they often elude the grasp of our most gifted statesmen. Indeed nothing in the whole range of foreign affairs calls for greater understanding than the conflicting psychologies of other nations which cause so much international friction.

Last but not least, a Foreign Secretary, though much more dependent on the advice of his expert staff than used to be the case, must understand the art of centralized direction upon which the efficient administration of the whole machine under his control depends. He must see that all its parts work, not as so many separate compartments each with its own limited objective, but in harmony towards one great and clearly defined end. A Foreign Secretary must not only understand the principles of good strategy but, what is equally important, know how to utilize all the material at his disposal in the attainment of his end. Just as a modern commander has to co-ordinate the complicated mechanism of war before launching an attack, so must the Foreign Secretary know how to marshal his financial, economic, and other forces for the diplomatic battlefield. Without set purpose, drive, imagination, energy, and above all the impress of his personality, the machine will get out of gear and much effort be frittered away in futile activity. This requires directive ability, and directive ability implies a synthetic mind. It is the power to apprehend and weld together into a homogeneous whole an unlimited number of often conflicting elements. No man without the synthetic and analytic faculty is likely to ride the storm and stress of our tumultuous age.

¹ *Historical Essays: Sir William Temple, Lord Macaulay.*

One could go on indefinitely adding to the enumeration of qualities both of mind and character which go to make up the ideal Foreign Secretary, and to show how rare it is to find the right mentality combined with the right personality.

Now let us turn our attention to the modern diplomatist, the tactician. Like charity, diplomacy begins at home. The diplomatist needs as much power of persuasion, tact and subtlety—nay, sometimes more—in dealing with his own superiors as he does with foreign governments. Compared with the Olympian height from which the Foreign Secretary has to scan the political horizon, the lesser altitudes of the diplomatist are in scope and vision mere molehills. His attention is confined more or less to the nexus of problems centred round the country to which he is accredited, though he has to keep a watchful eye on what goes on elsewhere in relation to it. He is the skirmisher at the outposts who is linked up to headquarters by the telegraph and the telephone. Before the advent of these two innovations distance and difficulty of communication threw upon the diplomatist a heavy responsibility. Discretion had to be left to the man on the spot. His success depended on his skill, judgment, and resourcefulness in times of sudden and great emergency. The issue between peace and war might hang upon his tactful handling of a delicate situation to a degree which is hardly conceivable under modern conditions.

The labours of an ambassador are enormously facilitated and his prestige enhanced by the degree of military power which stands behind him. In a sense diplomacy is the advance guard of the national armaments for offence and defence; but however astute it cannot permanently compensate for national weakness. He must be a poor diplomatist indeed who relies entirely on the support of guns. The really great diplomats are those who can make bricks without straw, of whom the outstanding example is Talleyrand at the Congress of Vienna, when he obtained for France the most generous treatment ever accorded to a defeated nation. Benjamin Franklin is another.

With the spread of the parliamentary system, the personal influence of diplomatists over the Princes to whom they were accredited ceased to have its former importance. Personality, of course, still counts for very much, but in dealing with Ministers responsible to Parliaments the scope for the exercise of personal influence is much reduced. In the words of M. Jusserand, formerly French Ambassador at Washington, "The importance of persuading a Prince and his Minister has diminished, that of understanding a nation has increased." Even as regards bilateral relations the developments of the last few decades, and especially since the First Great War, in science, economics, and sociology which now play so large a part in foreign affairs, have still further undermined the position of the diplomatist. He can no longer be a completely independent adviser on the relationships between his country and that to which he is accredited, as was the case when political issues remained unaffected by the multitude of technical questions which has now invaded his special sphere and calls for expert knowledge at every turn. But, even if it were possible, which it is not, the last thing he should do is to fritter away his energies in attempting to become an all-round expert.

If M. de Callières in 1700 could say that a diplomatist required a

knowledge of "a vast many things", one can only wonder how he would have described the mental equipment that the present-day diplomatist should possess. What rules would he have prescribed to ensure the independence of view of an ambassador when surrounded by a continually growing staff of technical advisers? All important missions are now provided with military, naval, air, commercial, financial attachés, and in one case with an agricultural and labour attaché as well. The list may have to be greatly extended to meet future requirements. Scientific, industrial, and mineralogical attachés may soon have to be added. Now the further this process goes the greater will be the difficulty of political diagnosis, and heads of Missions may be in danger of becoming mere figureheads unless they know how to direct their expert staff in such a way that the political significance of their labours does not become obscured by the purely technical aspect. The Minister or Ambassador of the future must see that the expert remains his servant and does not become his master. He must possess not only representational but also managerial qualities. In the past diplomatists spoke in terms of political concepts; today they require some knowledge of economics and finance, of tariffs, of preferences, of embargoes, of quotas, of inflation and deflation and of much else.

The knowledge of where knowledge lies will often serve the diplomatist better than knowledge itself. He must have the instinct for essentials, for selection and synthesis, and a flair for the imponderable, all of which may be summed up in the word "judgment". Bismarck described politics as "the art of the possible". A diplomatist today needs to do more than merely report on current events and their probable course arising out of momentary political situations. He must probe deeper with a steady eye on the inevitability of the end to which those factors which are constant must lead. To do this he must diagnose accurately from every angle the country to which he is accredited, understand the psychology of its people, and in particular study the repercussion on foreign policy of its internal developments. Mere contact with government circles and society no longer suffices. The social world in which the diplomatist moves today has changed. Few of the Great Powers still have courts, and everywhere hereditary aristocracy has ceased to be a ruling caste. Directly or indirectly through his staff he must now mix with every section, every class, if he is to keep in touch with political thought and abreast of the times. His powers of observation must be acute and his deductions sound. The *grand seigneur* type of diplomatist is a thing of the past.

If the modern diplomatist counts for less than he used to in the determination of policy, the field of his activities has immensely widened and is vastly more interesting, but the kind of information which he is required to furnish is of a far more exacting character and calls for a shrewder judgment than ever before.

What, then, are the qualifications needed in the modern diplomatist in the altered conditions of today? If his business is to understand the political significance of the innumerable elements which go to make up the national life of modern states and determine their foreign policy, he must be possessed of knowledge far transcending anything demanded of previous generations of diplomatists and such as can hardly be acquired without extensive reading and research. "Reading maketh a full man, conference a ready man, and writing an exact man," wrote Bacon, and

these must still be the test of the successful modern diplomatist. In conference facility of expression, the gift of exposition in the presentation of a case, nimbleness and incisiveness in argument and fertility in expedients are indispensable to successful diplomacy. When to be firm, when to give way, when to prevaricate, when to temporize, when to build golden bridges for a defeated opponent's retreat, are all part of the art of negotiation—the chief function of diplomacy. Above all, he must have unfailing courtesy and tact. The diplomatist has to remember that bad tactics may easily upset the finest strategy. Unlike the politician, he needs to be better in consultation than in debate. In his reports a diplomatist should have a scrupulous regard for accuracy, complete objectivity, and truth. His language should be staid and formal, avoiding all sensationalism and over-statement. Thiers' advice was "*ne prendre rien au tragique, tout au sérieux*".

In the past the diplomatist has worked in silence, and the more he effaced himself the better did he serve his country, whereas the Foreign Secretary has to be vocal, for unless he can lead public opinion he runs the risk of having his strategy imposed upon him from outside and against his better judgment. There was a time when diplomacy was referred to as the silent service, but the days are long past since Lord Lyons, after five years' residence in Washington, could boast that he had never made a speech. With the change in the technique of public relations and the development of wireless and the film the conception of the silent diplomatist is changing too. Today the representative of Great Britain must become visible and audible to the country where he is posted. Speech-making has now become a practice and part of the duties of a diplomatist, and nowhere more so than in Washington. This represents a profound change in the qualities required of our diplomatists, with an emphasis on histrionic gifts which in some respects is to be deplored, for it is not without its dangers, however careful the speaker may be. While the diplomats have taken to speaking, the politicians have taken to diplomacy.

With the enormous increase in the volume of work, the combination of social and official duties both at home and abroad is placing an ever increasing strain on the physical endurance of both diplomatist and Foreign Secretary alike. We can scarcely imagine a diplomatist today daring to write as Count Woyna, the Austrian Ambassador at St. Petersburg, did to Metternich in February 1842: "So many demands are made upon me here by the amusements at the Carnival time; balls, dinners, dances, fancy-dress balls succeed one another with such rapidity that even the most serious-minded person can find no time for politics." Today a diplomatist can no more afford to relax his political vigilance than he can to neglect his social duties.

The social qualities needed consist in a balance of mental and moral attributes, which win popularity and inspire confidence. A diplomatist must know how to conceal his hatreds and simulate his friendships under a mask of affability and he must not be so reserved and impenetrable as to arouse suspicion. He must be cosmopolitan in demeanour and outlook. If he assumes an air of mystery, solemnity or pomposity, he is more likely to find the doors which give access to information closed, for he will have created an atmosphere of distrust. A frank and amiable disposition, readiness to listen and suffer fools gladly,

a quick and ready judgment, unfailing presence of mind, and habitual calmness are qualities which win esteem and command respect. The man on the spot must be very much on the spot, quick to take advantage of any accidental occurrences, for diplomacy is the art of exploiting opportunity. The popular idea that the greatest diplomatists are past masters in the concoction of mystifications is the very opposite of the truth. Talleyrand—than whom no diplomatist was ever gifted with greater subtlety and nimbleness of mind—was remarkable for his avoidance of all chicanery; this caused even his enemy Palmerston to observe that he had never known a diplomatist show less pretence and more dignity. On the other hand, the methods of Metternich earned for him the description, "*Fin, faux et fanfaron*".

Good diplomacy does not try to deceive, for one is never so easily deceived as when trying to deceive others. "*Il est facile de tromper son homme. L'habileté demande qu'on le fasse tromper soi-même*," is a golden rule. "Metternich always lied but never deceived: Richelieu never lied but always deceived," said Talleyrand. When once a diplomatist has gained a reputation for intrigue his usefulness is impaired for he ceases to inspire confidence. Understanding and sympathy with the point of view of an opponent go a long way to smooth difficult paths, but a diplomatist must not allow his sympathies to take charge of his judgment and he must let little of them reach his heart. Indeed Guicciardini went as far as to say that an ambassador is at his best when he appears to be so anxious to meet the views of his opponent that he might be suspected of being a traitor to his own country. Gorchakoff described the Duc de Morny, Napoleon III's Ambassador at St. Petersburg, as a model diplomatist because he would tear up his instructions if they contained anything that was disagreeable to Russia.

In this changing world of ours diplomacy does not admit of fixed rules of conduct. Only by practice and experience can the diplomatist, or the statesman, learn the art of *savoir faire*, for in contact with reality fixed principles are apt to vanish, systems to become illusions, and theories fetters.

A happy combination of qualities, though none may be present in the very highest degree except tact and judgment, is a better recommendation for a diplomatist than mere intellectuality, however great, which so often leads to the negation of common sense. The ideal diplomatist combines the manners of yesterday with the mentality of tomorrow.

It is the business of the diplomatist to express his views freely and fearlessly within his own sphere, but it is for the Foreign Secretary to decide what is practicable and expedient in the light of all the circumstances. In these democratic days when Ministers have to pander to public opinion, they are prone to see things, not as they are, but as they would like them to be, and sometimes to resent the views of diplomatists when they differ from their wishful thinking. Diplomatists, then, may be tempted to sell their souls to save their careers, for after all they are only human. Has not Mr. Winston Churchill told us that "the temptation to tell a chief in a great position the thing that he most likes to hear is one of the commonest explanations of mistaken policy"?¹ How true that is can be seen from the fact that in the days of Imperial Germany no German Ambassador could afford to report in a sense opposed to the views

¹ *The World Crisis*, Vol. III. p. 193.

of the Kaiser without risking the Imperial wrath and possibly dismissal. Hence so many unfortunate miscalculations.

There is, however, a sharp distinction between frank advice and insubordination. When the views of an ambassador differ very fundamentally from those of his chief he becomes a very unsatisfactory instrument for carrying out the policy of which he disapproves, even though his loyalty be above all suspicion. The only right solution is a change of post. When Lord Stratford de Redcliffe once told Lord Malmesbury that had he been in his place in the House of Lords he would have attacked him on a certain question of foreign policy, the latter replied that it was unfortunate that he had not been able to do so for the sake of the promotion of others.¹

The path of the diplomatist leads seldom to glory. Few are the names which stand out in the annals of diplomacy compared with those of the fighting services. Since his functions are chiefly preventive the greatest triumphs of the diplomatist can rarely be spectacular. His achievements even in the heyday of diplomacy have never appealed to the popular imagination with the same glamour that the feat of arms of a military hero inspires. And yet the services rendered in the field of diplomacy can be more important than military victories. The blunders of the politicians, and the failure of the diplomatist are the soldier's opportunity. Those who have achieved renown, such as Talleyrand, Metternich, Bismarck, and Cavour, have done so not as diplomatists, but as statesmen in supreme power, though their triumphs may often have been due to their consummate diplomacy rather than to the merits of their policy. In the case of success the diplomatist must generally let the honours go to the politicians, in the case of failure he will be lucky if he escapes with only a small share of the odium. He stands a better chance of going down to history as a spectacular failure than as an outstanding success. He has to suffer in silence. He can never be entirely happy unless he has no ambitions, no illusions, and the hide of a hippopotamus. One fact seems to stand out very clearly as the result of modern developments; namely the lessening importance of the diplomatist's job, as compared with the increased importance of the directive functions of the home staff of the Foreign Secretary.

Although diplomacy has now been shorn of many of its amenities, although the modern diplomatist is somewhat like a gramophone record which reproduces his master's voice, although the new technique of the Ministerial travelling circus has destroyed much of his former importance, and although in times of crisis the practice now is to employ politicians rather than the professional diplomatist, diplomacy still retains much of its old fascination. If the road to high distinction is almost closed, that to honours is as wide open as ever, and decorations can still shine on his breast with undiminished lustre.

The glory has departed and yet the glamour remains. What is it in this mysterious profession that still continues to blind and dazzle the uninitiated? The answer is that, when all is said and done, the mere fact of being behind the scenes and taking a part, however subordinate, in what Disraeli used to call the "Great Game" has an irresistible fascination. After all, the "Great Game" is concerned with the destinies of

¹ Letter of Lord Malmesbury in the possession of the author.

nations than which there can be no higher human interest. To feel that one holds these destinies in the palm of one's hand, even if only for a few brief moments, is indeed a godlike experience which makes up for years of drudgery. It is this which lifts diplomacy, compared with other professions, to the highest pinnacle of importance. Then, of course, there is the representational aspect and the high social position which it carries with it. So long as these advantages exist diplomacy need never lack recruits.

Today it is more essential than ever that diplomacy should have the right kind of recruit and that he should be given the right kind of training. In the past the diplomatic service has been too much confined to the recruit with a comfortable financial background and a certain type of aristocratic upbringing, and to the kind which is more attracted by the safe and dignified career which the service offers than by the opportunities for the exercise of initiative and for the shouldering of heavy responsibilities. The reform proposals introduced in the House of Commons in March 1943 may do much to correct this. The new foreign service is to comprise all branches of officials, diplomatic, consular, and technical, who are engaged in the conduct of foreign relations. Entrants to the combined service are to be drawn from all walks of life, and after a preliminary examination are to be given a probationary period of eighteen months during which they will travel abroad and a further six months to study social and economic problems at home. But study should not end there. A regular system of lectures on modern politico-economic developments by competent experts, which all members of the foreign service should be encouraged to attend, could do much to further the latter's understanding of their problems and keep them abreast of the times. These lectures would have to be carefully planned and adjusted to the needs of the moment. They might be printed and circulated to our Missions abroad. As all candidates for the foreign service have to pass a stiff entrance examination and undergo a thorough course of study in political economy they would provide for that continuity of up to date knowledge which is so essential in this rapidly changing world. Senior officials who show themselves unfitted for posts of the very highest responsibility are to be pensioned off before reaching the normal retiring age of sixty, thus opening the way for younger men of ability.

That these reforms will lead to an improvement in the calibre of officials and diplomats there can be little doubt. But none of these things can be a substitute for a "thinking shop" of the kind analysed in the preceding chapter, with its centralized direction and equipment for the elaboration of long-range policy, nor can the effect of these reforms be felt for many years to come.

Meanwhile we are at a turning-point in the world's history. The totalitarian phenomenon is a revolution in men's minds and ways which heralds the advent of a New Order. In its economic aspect it is not confined to Germany, Italy, and Japan; it is separable from much that disgusts us in the Nazi and Fascist régimes. Like most revolutions, it has arisen out of problems the solution of which has been long overdue. We have reached a period of major changes in the world's economic and political shape. If we are to have our hands free to deal courageously with these changing circumstances, then we must rid ourselves of all the fetters formed by old-fashioned conceptions and prejudices.

Unless foreign and domestic policy are handled as two aspects of the same problem, the constructive aim of diplomacy will be distorted by the exigencies of the moment and will fail to correspond with the real requirements of our era. The destiny of nations will no longer be shaped by the conscious intelligence of statesmen but by the unconscious forces and the relentless rhythm of the Machine Age, as exploited by irresponsible private enterprise. In these circumstances, ultimate victory, after unlimited competition and renewed wars, will go to the country or countries with the greatest managerial efficiency. The alternative is wholehearted international collaboration, political, economic, and social; and this in turn implies, if not national ownership, at least centralized control and planning on a scale unknown in Great Britain until it was forced upon us by the war.

What then remains for diplomacy to do? The answer is that it must take the leading part in the task of harmonizing foreign and domestic policy. It must exercise the supreme function of co-ordinating all the elements which go to determine foreign policy, much in the same way as a commander in the field controls operations without any intimate knowledge of all the infinite technical details which go to make up the war machine. That is a harder task than it has ever yet been called upon to undertake, and the brunt of it will fall upon headquarters at home and not on diplomats abroad. The normal functions of diplomats in their day-to-day transactions with foreign governments will not disappear, but they will be overshadowed in importance by the co-ordinating function exercised at home. They will still act as intelligence officers, negotiators, and local representatives of King and government, but their voice in the determination of policy will carry less weight. Though the supreme direction of foreign policy must rest with the Foreign Secretary as advised by his staff in London, in this age of high specialization the execution and much of the initiative will more and more have to be left in the hands of technical experts, and of industrial and financial magnates.

If it be true, as has been asserted, that it is the business of the statesman to provide a decent burial for the past and to facilitate the birth of the future, then, in the days to come, we must have better undertakers and better political midwives, for never have British statesmen of any age had to grapple with stiffer problems than those with which they are confronted today. Can they be equipped for a task of this magnitude unless they have a "thinking shop", unless they can educate and lead public opinion, unless the Empire speaks with one voice, unless party strife at home gives way to the higher purposes of international concord?

The settlement that will follow the present armed struggle will not remove the differences real and imagined between richer and poorer nations. There will still be "Have" and "Have Not" Powers, so long as national sovereignty distinguishes one nation from another. Will the coming peace settlement be such as to remove at least for a while some of the causes of international conflicts? Will the "Have" Powers rise to the occasion? Will the "Have Not" Powers respond? Or must diplomacy for ever remain in fetters?

"Le temps du monde fini commence."

P. VALÉRY

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